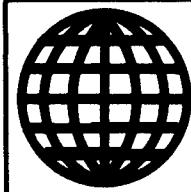
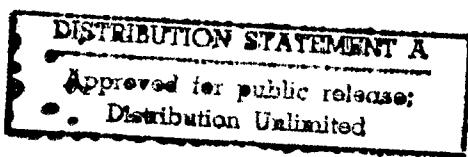


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8 JUNE 1990



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# ***JPRS Report***



# **Near East & South Asia**

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# Near East & South Asia

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**European Delegation Reports on Visit to ArSSR**

46050021E Paris HARATCH  
in Armenian 19 Apr 90 p 3

[Text] As is known, a European Parliament delegation comprised of S. Veil, J. Vandemelbroucke and N. Perre visited Armenia for 3 days from 29 March through 1 April. The visit was sponsored by Coordination for Aid to Armenia whose president S. Der Sdepanian together with Professor Jean Pierre Mahe and B. Veil also accompanied the delegation.

A report issued by the delegation describes the visits that were paid to the offices of the Armenian Pannational Movement [APM], the Supreme Soviet, the Armenian independence army [as published] and Catholicos Vazken I. Outside Yerevan the delegation visited Yerashkavan and Leninakan.

The first part of the report is devoted to political issues. This part briefly outlines the repression that began in February 1988 and the arrest and subsequent legalization of the Karabakh Committee. The report notes that, in fact, one member of the Committee is currently the vice president of the country. It expresses concern, however, that if the popular pressure subsides the democratization process may stall. The report says that the registration of candidates [for Supreme Soviet elections] has not been without incidents, that always difficulties are raised in the registration of persons running against the Communist Party and that some popular rallies have been disrupted by various means.

According to the report, the APM is currently considered a sociopolitical movement and not a political party; even so, it is present in every electoral district although it does not have the right to field more than 60 candidates for the 260 seats contested.

The report says that although the USSR Supreme Soviet has abolished the communist party's leading role in the country's affairs, no similar moves are observed in Armenia.

The second part of the report focuses on economic issues. It says that these problems come in two forms: There are problems that have been created by the earthquake and compounded by the arrival of refugees from Azerbaijan. There are also problems associated with the country's environmental pollution. On this issue, the report refers to Nairit, the chemical plants in Alaverdi and Kirovakan and the nuclear power plant in Metzamor. During a meeting, APM economists said that 80 percent of Armenia's industrial enterprises are all-Union enterprises and thus fall outside of the Armenian government's control. These economists also underscored the need for the restructuring of the national economy. They believe that the republic's government must have the right to intervene in the running of all-Union enterprises. They want the reorganization of industrial activities, the maximum utilization of the

republic's construction resources and a more autonomous industry. They also underscored the need for collaboration with foreign companies.

According to the report, the situation is not too encouraging on human issues. The commission headed by USSR Prime Minister Ryzhkov has not convened since May 1989. A similar stagnation is observed in the Armenian Supreme Soviet commission headed by ArSSR Prime Minister Margaryantz despite the protestations of the APM and the Compassion [Gtutyun] organization.

The report expresses dissatisfaction about the humanitarian aid sent from overseas. The central government has instructed the Armenian Minister of Transportation to limit the number of foreign aircraft landing in Yerevan. In addition, the 500,000 ecu allocated by the European Parliament for Armenia in January 1990 has not yet reached its destination because of similar difficulties.

The section of the report entitled "The National Problem and Relations With Azerbaijan" echoes other concerns. In Nagorno Karabakh, the Azeris have boosted the [Azeri] population of Shushi massively in order to achieve a demographic parity in the rayon. Meanwhile, Soviet forces have ordered the evacuation of Armenians from border villages such as Azat and Kamo. Armenians deported from other parts of Azerbaijan are not permitted to settle in Nagorno Karabakh.

The report underscores that massive unemployment and the slow reconstruction of the disaster zone is causing adverse social developments and notes the anxiety caused by the absence of any future plans and prospects.

The last section of the report, entitled "Elements of Solution," enumerates prospects of work and the reconstitution of the national security force as mitigating factors in the current situation. Much hope is expressed with regard to the 20 May elections, assuming that they are held on a democratic basis.

According to the report, the progressive forces are grouped within the ranks of the APM, and that movement has been seeking to establish a dialog with the republican and central authorities since 1988. The APM is characterized with a sense of responsibility, a political program which reflects deep maturity, broadmindedness, competence which assures the success of its work and broad popular support—assuming that the process of democratization does not stall as a result of pressures which may drive the people into desperation.

According to the report, the nature of relations with Azerbaijan, still adversely influenced by the massacres of Sumgait and Baku, block a solution, and the security of Armenia is in jeopardy.

The report's discussion of a resolution of this impasse focuses on two considerations:

a) It is undeniable that the present situation is the result of the 1921 decision [to grant Azeri sovereignty

over NKAO] and deeply hurts Armenian national interests; the strategy of foot-dragging in the last 2 years has not opened any doors for a solution and has deepened the tense situation.

b) Is it possible to establish a dialog between Armenia and Azerbaijan without external mediation? The APM may support such a move by finding interlocutors from among the democratic elements of the Azeri Popular Front.

The Soviet government may guarantee any agreement that is reached.

This agreement must take into account the following demands by the Armenians of Karabakh:

- An end to population movements designed to create an artificial demographic parity in the region;
- assurance of the Armenians' economic, religious and cultural rights;
- full reinstatement of communications with Armenia.

#### Greater Emphasis on Self-Defense Urged

46050021C Paris HARATCH  
in Armenian 7-8 Apr 90 pp 3, 4

[Article by Ara Kalayjian: "Self-defense"]

[Excerpts] In January we experienced days and weeks of collective horror as we watched the unfolding tragedy on Armenia's border and around Artsakh. Quite simply a state of war existed between Armenia and Azerbaijan. The situation was more complicated by the fact that Armenia had to defend two fronts: The border with Azerbaijan on the east and the border with Nakhichevan on the southwest.

During those days and weeks of crisis we were shocked by news of Tamerlanian massacres in Baku and other Azeri provinces while the prospects of murderers invading Armenia grew by the hour.

My purpose here is not to write about the causes and consequences of all these or to analyze the motivations behind Moscow's continuing disgraceful indifference.

Today, I would like to examine a different anguish: The unpreparedness of our people.

I would not be declaring anything new if I said that as a community we have never been prepared to withstand the calamities, disasters, misfortunes and perils that have threatened our nation. We have always believed that others must defend us, that they must stand up for our cause and that they must support, sustain, protect and look after us unselfishly. Our history of the last 100 years is witness to this fact: Always unprepared, always surprised and always expecting help from others. [passage omitted]

The events of January manifested once again our unpreparedness and fondness for "martyrdom." Since February 1988, the day we learned in Sumgait that the

Azeris use the language of axes and bullets and not that of so-called "justice" and "fraternity," we must have been prepared for the very probable calamities that could befall upon us. But instead of coming to our senses, gathering our forces, organizing, arming and training we continued to put our gazes and hopes on Moscow and to seek rays of light and justice from the treacherous quagmire of "deputies" meetings.

Even worse, when the tense situation grew more acute we turned to Europe, the United States, the United Nations and the European Parliament like crybabies expecting them to safeguard the security of our homeland and people. [passage omitted]

We can only praise, though with justified and mandatory delay, all of our fighters. But what does that mean in practice? There is only one lesson to be learned from Andranik, Serop, Manukyan and Avetisyan: Self-defense.

For the Armenian republic self-defense means arms, ammunition and the training of soldiers whose task is to defend the homeland.

The February 24 edition of KHORHRTAYIN AYASTAN carried an article entitled "This Bitterness Is Too Bitter" by Tigran Khachatryan. An editorial comment at the end of the article says: "We print this article as an alert. It is now sinful to acquiesce." What are they talking about?

According to the article, there are more than 1,000 military schools and academies in the Soviet Union. One of these schools is the "Special School with Military Training" in Yerevan which carries the name of Amanzasp Babajanyan, "Chief Marshal of Armored and Tank Forces." Therefore, Armenia has only one "military specialization school" that graduates the officers and future commanders who are supposed to defend our homeland.

But the article states in its first paragraph that a representative of the "Ministry of Public Education of Armenia which has the authority to determine the fate of the school" has declared that the USSR Ministry of Defense plans to evaluate the school this year, probably in May, and that, in his opinion, "the school will be closed."

The reader may think that Moscow is pursuing an anti-Armenian plan by closing down Armenia's only military school. That is absolutely untrue. If the closure becomes a reality, it will happen only because of us and nobody else. [passage omitted]

One may argue that Armenia has an army of soldiers who have performed military service and who have even gained experience in Afghanistan. However, the problem is not the soldiers but the officers and the commanders—

those who are graduates of military schools and academies. Khachatryan writes: "The number of Armenian students in the military academies of the Union is steadily declining." Therefore, what is missing is the general interest and the urge to go into a military career. [passage omitted]

This school for military training must be reorganized and turned into a true place of learning. Moreover, as Khachatryan states, "the issue of opening new general war academies and artillery and military aviation schools in Armenia must be put on the public agenda. There is need not only for such schools but also for an institution for training military officers."

In these critical days, we need neither art nor literature nor theatre nor music nor chess.

In this hour of life and death, we need trained commanders, military men and strategists to uphold the impregnability of Armenia's borders and to defend our sacred land, our home and our people.

Finally, we must organize our self-defense effort, first by arming ourselves. If the central government cannot or does not want to safeguard the security of our people, if it cannot or does not want to prevent massacres such as those in Sumgait, Baku, Kirovabad and Khojalu, then it is our supreme human duty to undertake measures which can resist any assault that is or may be launched on our homeland no matter where or who it comes from.

We are not anybody's enemy, and we do not intend to attack any state.

We only want our own security.

Therefore we must prepare for self-defense—the first and most basic instinct of the human being and the foundation of the survival of peoples.

Self-defense must be the first and only concern of the Armenian people today, tomorrow and in the future.

#### Declaration of 'Armenian Cause Day' Urged

46050021B Paris GAMK in Armenian 23-24 Apr 90 p 3

[Article by Mark Harutyunyan: "Give 24 April Its True Meaning"]

[Excerpts] For years, we invented words and, hiding behind them, we babbled about April 24 with the smugness of having found a common denominator. The principal words we used were the customary "mourning" and "commemoration." Since mourning also has its limits we saw that people eventually became indifferent. Today, we realize that with these two words we have impoverished our national tragedy and cause by depoliticizing it. One can seek the causes of this harmful depoliticization, but the pressure of history is already upon us, and this reality, like others, imposes itself as one of the foundations of national policy.

April 24 is the date that symbolizes the oppression and disfranchisement of the Armenian people. A nation was subjected to massacre so that the enemy could seize its land. That is what happened. If there are wise men who can give another explanation, I ask them to speak up. Consequently, the victims of April are not the casualties of an accident to be commemorated with clockwork regularity with requiems for their souls. A massacre was perpetrated for the purpose of seizing the Armenian national homeland. But because we do not accept this fact and because the Turk does not say that it will withdraw from lands gained by the force of arms, the political and national liberation war continues. When a battle is declared against the fait accomplis and military occupations, it disturbs the peoples and the governments which have homelands and stable foundations and which have plans for prosperity—that is, trade. [passage omitted]

We must have an "Armenian Cause Day" not for ceremonies which move and entertain us and our neighbors, but so that we can advance a pannational progressive battlefield where roles are given in accordance with the work performed. Although collaborations are useful, they are not created artificially. Who will collaborate with whom? What will each contribute to the common effort? The rights must be commensurate with the effort contributed. That contribution can also be quantified, not theoretically but in the light of realities. An association that does not have any papers, centers or sympathizers and which counts no more than a dozen members cannot dare to make irrelevant comparisons with this or that organization which has papers, centers, schools, members and mass support. It is with this mentality that the ways and methods of pursuing the Armenian cause must be determined from now on.

April 24 is the Armenian Cause Day which seeks to develop the awareness to serve the people—to serve the cause of a disfranchised people. [passage omitted]

#### Change in CP Leadership Viewed With Skepticism

46050021A Paris GAMK in Armenian 14-15 Apr 90 p 4

[Editorial from Athens DROSHAK, official press organ of the Dashnak Party: "Change in Vain"]

[Excerpts] The Armenian people has every reason to have reservations about the replacement in early April 1990 of the No. 1 representative of Soviet Armenia's Communist Party.

The first element that gives rise to such reservations is the prevailing general impression that the "fate" of S. Arutyunyan was sealed on the day the Kremlin removed Baku's No. 1 official, Vezirov, from office because of his involvement in the well-known anti-Soviet demonstrations. In order to head off any form of Azeri resentment because of its stance with regard to Vezirov, the Soviet central leadership apparently decided to preserve the symmetry by removing Arutyunyan from office and thus

punishing also the Armenian side. That is why the Armenian people takes a reserved posture with regard to the change that has occurred; it cannot permit the Kremlin to impose such an "exit" on Yerevan simply in order to appease the Azeri side.

The second element that arouses reservations in our people is even more grave. Motherland circles are generally convinced that with this step, independent of the Vezirov factor, the Kremlin has reacted to some of Arutyunyan's healthy and courageous postures on national demands and has penalized a one-time appointee of its own who acceded to Armenian interests and demands over time. Especially at this extremely worrisome and sensitive juncture of the Artsakh movement, the Armenian people cannot tolerate attempts by the Kremlin to resort to the absurd tricks of the old days in order to impose on the Armenian nation totally unacceptable arrangements.

On the other hand, if the upper echelons of the Armenian Communist Party resorted to this change independent of the Kremlin's machinations in order to regain some credibility in the eyes of the Armenian people and to run in the campaign for the Supreme Soviet elections of May 1990 from more acceptable positions, then the Armenian people must be more than skeptical and must directly reject the Armenian Communist Party's opportunism. [passage omitted]

These are the realities in the light of which our people views the replacement of Armenia's No. 1 official. In that context, V. Movsisyan's first statements—to the effect that he will make the Artsakh demand movement his top priority and that, to that end, he will take a demanding posture toward Baku and the Kremlin—prove that the leadership of the Armenian Communist Party realizes the truth and is making every effort to win commensurate recognition from our people.

Now all currents of Armenian political thought must determine their postures with regard to the course Movsisyan adopts—as they did in the case of Arutyunyan—primarily motivated by the interests of the Artsakh movement so that neither the anti-Armenian forces in Baku nor those in Moscow can take advantage of the internal problems of Yerevan's representative in the course of their attempts to impose anti-Armenian conspiracies.

The truth is that our people still awaits the day when it will finally be able to elect freely the forces which truly represent its own will so that, through those forces, it can judge and decide when and why it should replace this or that leader and so that it will rid itself once and for all from the bankrupt Soviet totalitarian custom of waking up one morning and seeing its No. 1 official replaced.

#### Editor of APM Press Organ Interviewed

46050021D Paris HARATCH  
in Armenian 18 Apr 90 pp 2, 3

[Interview with Samuel Gevorgyan, editor-in-chief of HAYK, the official press organ of the Armenian Pannational Movement, by Arpi Totoyan in Paris; date not specified]

[Excerpts] HAYK is not only the press organ of Soviet Armenia's principal popular movement, the Armenian Pannational Movement [APM], but also the only officially permitted paper of what is known as the "independent press." Its first issue was published in early November during the days the founding congress of the APM convened in Yerevan. Only recently has the paper been able to keep pace with a weekly frequency of publication.

An officially permitted paper is a new phenomenon in the Soviet Armenian press. Taking advantage of HAYK editor-in-chief Samuel Gevorgyan's presence in Paris, we tried to acquaint ourselves more closely with the various aspects of this phenomenon.

Gevorgyan is the son of a family that migrated to the Soviet Union from Western Armenia. He was born in Tallinn [Estonia]. After graduating in philology from the State University of Yerevan, he served as a teacher in his birthplace. Later he served on the editorial staff of the regional paper of Ashtarak. After settling in Yerevan, he worked in the city's radio station and on the editorial staff of KHORHRTAYIN AYASTAN. Currently, he works as a political commentator on the "Yerevan and Its Residents" program of the state television. He has published works on environmental conservation and linguistic issues. He joined the Karabakh movement from its early days and became a member of the Karabakh Committee. Currently he is a member of the Executive Council of the APM.

[HARATCH] What are the principal difficulties that HAYK is experiencing? Is its staff adequate? What is its circulation? How do you cope with the paper's printing, paper, distribution and other related problems?

[Gevorgyan] Although we have now published the seventh issue of HAYK, until the sixth issue we had not yet settled the question of how frequently it would be published because the authorities created difficulties even though they have permitted the publication of the paper. They were waiting for a decision from Moscow, but that decision never came. Thanks to popular demand, they finally permitted the paper to be printed in the central printing house for papers and monthlies.

As for our staff, perhaps as a result of the difficulties that have been raised it is not yet permanent or complete. Basically, the staff consists of three people, including the editor-in-chief. We hope that we will be able to expand the staff soon so that the paper can resolve the problems it is encountering.

[HARATCH] How many people do you need to complete the staff?

[Gevorgyan] The condition of the Armenian people must be considered in ensuring that the paper remains in touch with its readers. Reporters are needed in the internal and overseas Diaspora as well as various parts of Armenia. I think that the editorial staff would require six or seven persons.

[HARATCH] Paid employees?

[Gevorgyan] Yes. The press must endorse professionalism to ensure high quality and to make sure that the paper becomes a modern one. Soon the paper will have its own capital and its own means and will be able to pay its employees.

[HARATCH] Do you not have paper supply problems?

[Gevorgyan] We do, because the entire Soviet Union has a shortage of paper. Armenia's shortage is even worse because of the recurring blockade conditions. In addition, HAYK has its own newsprint shortage. One can imagine the treatment accorded to HAYK as the only officially permitted independent paper. We procure paper with great difficulty. You have already seen its quality. Sometimes it is simply impossible to read. The printing quality is also very poor.

[HARATCH] What is the circulation of the paper?

[Gevorgyan] We print 50,000 copies. The paper is sold from newsstands because the issue of subscription has not yet been resolved. That issue is very important because that would strengthen the paper's ties with its readers and would enable us to have readers in the internal and overseas Diaspora.

[HARATCH] How is the paper distributed outside Yerevan?

[Gevorgyan] We have a contract with the delivery agency known as "Soyuzbechad" which delivers the paper to all regions of the republic.

[HARATCH] What about Karabakh?

[Gevorgyan] You know how the situation is there at this time. KHORHRTAYIN KARABAKH resumed publication recently. HAYK is delivered there by special means, because for the moment official circles consider Karabakh as a different republic, and therefore a special agreement must be signed.

[HARATCH] Are 50,000 copies enough?

[Gevorgyan] I think that if we have subscription the edition size will automatically grow, because the demand is very high.

[HARATCH] Does the editorial staff receive any feedback from the readers?

[Gevorgyan] There is a certain amount of interest. There is some feedback manifested by letters. Many are requesting that the paper become more multifarious and cover more subjects. They are correct. The paper does not yet have a comprehensive character.

[HARATCH] What subjects do the readers want?

[Gevorgyan] There is a desire to have very strong ties with the Diaspora. They want episodes of our history which were hidden from the people until now to be elucidated. There is a great demand for the solution of practical problems. They demand practical steps and near-term plans about what we will do and what the people must do.

[HARATCH] In other words, the people of Armenia are knowingly or otherwise aware of the need for a plan and they want the press to take on this task because they cannot expect the official leadership of the country to do that.

[Gevorgyan] Absolutely. The present situation is very turbulent. The authorities do not echo the people's economic and political interests and are not fighting for Armenia's economic independence and autonomy. Therefore, the people address their demands to the press and obviously have their hopes on the movements.

[HARATCH] What is HAYK's principal objective: To disseminate news, to shape public opinion or to remain under the APM's influence simply echoing its activities and plans?

[Gevorgyan] As you must have noticed, the paper is indeed the official press organ of the APM, but we have declared that the paper's doors are open to all organizations and movements. The objective of the paper is to echo national interests so that we can prepare a national plan together with the people by taking into account their views. We want to do that in order to extricate the people from this uncertain situation. The present critical political situation suggests that we must be wary in our observation of the events, and we are finding out that we must be prepared. None of us knows what will happen tomorrow economically and politically. The empire has essentially collapsed economically and stands on the brink of political collapse. If we are not prepared psychologically and economically, we may be crushed by the rubble. [passage omitted]

[HARATCH] How strong are your ties with the Diaspora?

[Gevorgyan] Our ties with the overseas Diaspora are effectively on very uncertain grounds. It is virtually impossible to establish reliable telephone and telegraph links and to receive news. For example, we get our news about Armenian—and even French—life in France from your paper. There is a direct link between your editorial staff and ours. At one time we had ties with [Los Angeles] ASBAREZ [Dashnak Party paper].

[HARATCH] It is good to have ties, but they are not solid and permanent. For example, if there are no travelers and they do not carry a stack of papers with them you would not know.

[Gevorgyan] That is why it would be more acceptable if Armenia, as a mother country with various Diaspora communities, establishes representative offices in those communities so that those ties become secure.

[HARATCH] Do you plan to start subscriptions for the overseas Diaspora if there is any interest?

[Gevorgyan] We have already applied to the Ministry of Relations [with the Diaspora] to resolve that issue.

[HARATCH] This is a time of openness. How far, in your opinion, has openness become reality in Armenia's press?

[Gevorgyan] I think that the situation is transitory and is related to the nature of economic and political reform. Now it is taking place at a precipitous pace. This is not a democratic development process, but a rebellion of a mind liberated from restraints while knowing that this freedom may be lost again. In that context, everyone is doing whatever he can do. It is not very clear how much inner freedom individuals have and how much they are thinking about the people's current problems.

[HARATCH] The changes are rather superficial; they do not go deep. The changes remain at the level of expression. For example, an article by R. Ishkhanyan is criticized in KHORHRTAYIN AYASTAN without giving the readers the opportunity to read it and to know what the issue is. That means that true openness does not exist as a basis of operation.

[Gevorgyan] For example the openness of KHORHRTAYIN AYASTAN sharply differs from that PIONER KANCH [Call of the Boy Scout], AVANKART and YEREKOYAN YEREVAN. That paper's posture is ideological.

KHORHRTAYIN AYASTAN publishes numerous articles about the massacres with an anti-Turkish message, similar to the press of the period 1914 through 1920. That is a dangerous recurrence. KHORHRTAYIN AYASTAN and party papers have never represented an ideology that stems from the interests of the people. On the contrary, today they are trying to consolidate amongst the people the mentality that the Armenian people cannot live on its own, that it must always seek protectors and that it must always jump into someone's bosom—and that someone must, in their view, be Russia.

[HARATCH] Is not KHORHRTAYIN AYASTAN's posture puzzling, at least since it began to write that the Karabakh Committee's activities are dangerous even before the imprisonment of its members?

[Gevorgyan] There is also a surprising degree of coordination between such publications and the stances of the Soviet Armenian government.

The objective of the official leadership of the Soviet Union and Armenia is to pit the country's people against the Diaspora. Our position and that of other national-democratic movements is that there is a united Armenian nation which must have a basic ideology. The ways of acquiring such an ideology may be different, but the aim of the people must be one. Only then can we realize our national aspirations. In that sense we must be cautious. The Soviet Union has vast means to drive a wedge between the different segments of not only the Armenian people but any people it chooses.

[HARATCH] You have already declared in HAYK that you intend to return to classical spelling. What do you think about this issue?

[Gevorgyan] The Armenian press and literature must first convert to that spelling. This is not my personal opinion; it is the opinion of the entire Armenian intelligentsia, because that spelling expresses more clearly and correctly the psychology and mentality of the Armenian people. Indeed, it is with that spelling that we fill the gap that has developed between us and our ancient literature and cultural values. However, since the people have been severed from that spelling for 70 years, it is now difficult to return to it abruptly. That is why we think that the conversion must occur gradually and through individual articles until the people learn and accept it.

[HARATCH] What was the reaction to the pages that were published in classical spelling?

[Gevorgyan] The reaction could be interpreted in only one way. Only the people with a national frame of mind were pleased. But let us say that the official intelligentsia has begun criticizing us.

[HARATCH] What plans do you have for HAYK?

[Gevorgyan] In essence, our plans depend on the prospects of how far the declared openness will go. If repression and persecutions do not resume, HAYK has significant opportunities to become a paper which truly reflects the national interests of the Armenian people and which contributes to the resolution of its problems by deeds. The objective of HAYK is to present to the people the situation as it is so that the people can evaluate it correctly and take correct steps on the basis of that information and their conclusions.

[HARATCH] What other papers of independent organizations are published?

[Gevorgyan] From the APM press, we have YEVAYLN... [Etcetera...] about which you have already written; we have MASHTOTS; and we have LUSAVORICH, which is published by the Compassion [Gtutyun] organization. Outside the APM, there is INKNO-ROSHUM [Self determination], HAY DAT [Armenian Cause], ANKAKHUTYUN [Independence] and AZAT

HAYK [Free Armenia]. Except HAY DAT, which advocates a pro-Russian policy, all these papers expound the true interests and aspirations of the Armenian people—

that is the opportunity for free development, an autonomous economy and political independence when the conditions are ripe. [passage omitted]

## REGIONAL AFFAIRS

## West Blamed for Food Problem, Counterplan Offered

90AA0118A Khartoum *AL-INQADH AL-WATANI*  
in Arabic 11 Apr 90 p 5

[Article by 'Adil al-Jujari: "An Arab Wheat Council"]

[Excerpts] The Arab Nation does not have its own food. It pays \$30 billion annually to buy foodstuffs, which will increase to \$60 billion by 2000, that is, the equivalent of one-third of the Arab national income.

This article endorses this issue, sounds the alarm, and proposes the creation of an Arab wheat council, whose basic task would be to utilize Arab assets and investments, in accordance with a centralized plan to meet the wheat crisis, and the Arab food crisis in general.

Dr. Jawdah 'Abd-al-Khalil, professor of economics at Cairo University, has stated: "The constant shortfall in regional capability to provide food for the Arab citizen on his own land, has become a difficult problem for many reasons. This problem has become a danger to Arab strategic security, because of the widespread importation of essential foodstuffs, which are governed by the monopolistic nature of the world market."

Dr. Muhammad 'Ali al-Fara stressed that the CIA [Central Intelligence Agency] wrote a special report, at the request of former American secretary of state Henry Kissinger, on the eve of the World Food Conference held in Rome in 1974. The report stated: "The shortage of grain in the world—of itself—will give the United States power that it has not had before, and will permit it to exercise economic and political control far above that which it exercised in the years following World War II."

Dr. Ibrahim al-'Isawi, director of the Institute of National Planning in Cairo, added: "The United States previously used the food embargo weapon against Egypt in the sixties. It reduced its food assistance to Egypt from \$175 million in 1964 to \$70 million in 1965, and then to \$56 million in 1966. The facts of history tell us that in 1830, France fabricated a crisis with Algeria over a demand to pay wheat costs; France then occupied that country for more than 130 years.

An Egyptian economic expert, Dr. Ibrahim Sa'd al-Din reported that in 1986, the Arab Nation received about 3,368 million tons, equivalent to approximately 32 percent of the total world grain assistance for that year. Egypt's share alone amounted to 1,799 million tons of international grain assistance, equal to 17.1 percent of that assistance, in the form of loans from the exporting countries. This represents the pinnacle of danger, since the importing country is subject—to one degree or another—to the will of the exporter. [passage omitted]

The percentage of grain self-sufficiency dropped from an average of 69 percent from 1970-75, to 50 percent average during 1980-82. With regard to wheat, the

principal crop, the self-sufficiency percentage declined from 51 percent to 35 percent during the last 10 years (1979-89).

An important study by the Iraqi scholar, Dr. Rasul Radi Harbi, confirmed that a small number of countries monopolize the food commodity market, led by the United States, which alone has a 47 percent share of food exports. The United States, Canada, France, and Australia together share 79 percent of the world's exports of wheat, and approximately 72 percent of the world's total grain exports. If we take the volume of wheat and grain exports with regard to the capitalist nations, we find that collectively they export an average of 83 to 88 percent of the world's food commodities. The monopolistic capitalist nations have—in an ugly fashion—exploited this situation, either by imposing their policies directly or indirectly through food, or through prices, and have obtained enormous funds as a result of their dominant position with regard to food surpluses in the world. The developing nations are the most affected by this situation, especially the Arab Nation, whose food needs are mounting.

Economic expert Dr. Muhammad Mahmud al-Imam emphasized that only regional development is capable of meeting the food crisis, which is but one part of the forms of backwardness and impotence in the Arab Nation, because that development will root out backwardness in its fullest sense, liberate the Arabs and their resources from subservience, and restore to Arab civilization its ability to renew itself and provide the Arab citizen with freedom and security.

For all these reasons, we shall discuss the question of Arab wheat, and endorse a call for the establishment of an Arab wheat council within the framework of the League of Arab States.

## Facts and Figures

[passage omitted]

The Arab Nation, whose area covers 10.6 percent of the world's surface, totalling 1,464.18 billion hectares, has only 163.9 million arable hectares. The area that is actually used is no more than 52 million hectares, while the average population growth amounts to three percent [per year]. It is expected that the Arab Nation's population will reach 300 million by the end of this century. [passage omitted]

Agricultural investment in the Arab Nation is concentrated on desert land using water in areas where water is scarce, such as Egypt's experiment in reclaiming al-Nubariyah and al-Wadi al-Jadid lands. At the same time, Arab investments are not allocated in areas to which God gave the natural characteristics that qualify them for the Arab foodbasket. The Arab Nation contains two of the most important river basins in the world, the Nile River valley in Egypt and Sudan, and the Tigris and Euphrates valley in Iraq. Despite that, a country like

Egypt, which was a grain storehouse for the Roman Empire 2000 years ago, imports more than half of its food.

Demand for food is increasing by an average of 5.2 percent annually, with three percent of this due to increases in population, while production of both animal and vegetable foods only grows by 2.5 percent. This forces the countries of the Arab Nation to import an estimated \$30 billion worth of foodstuffs each year. Experts expect this amount to reach \$60 billion by the end of this century. This represents nearly one-third of the gross national product, and means an absence of food security in the Arab Nation, especially since certain Arab countries import 70 percent of their food needs, while [only utilizing] about half of the cultivated land in the Arab Nation. Lands planted with wheat in the Arab Nation totalled about 8.8 million hectares, i.e., approximately 34 percent of land allocated for grain.

Egypt leads the list of Arab countries that import food grains; its percentage amounted to 28 percent of the Arab Nation's total imports by weight, and 27 percent in terms of value. Egypt is followed by Algeria with 16.6 percent; Saudi Arabia, 15.8 percent; Iraq, 10.7 percent; Morocco, 7 percent; and Sudan and Syria, 3.4 percent. Therefore, these countries alone account for 70 percent of the Arab Nation's total food imports. Wheat occupied first place on the list of Arab food imports in general, because the Arab Nation in 1985 imported 21 million metric tons, valued at \$3,728 billion. The Arab countries' imports of wheat and flour was 65.7 percent of the total world imports.

#### A Way Out of the Predicament

The problem is very serious, and does not just involve the Arabs having the hard currency required to purchase wheat. On the contrary, it involves much more than that. As Dr. Ahmad al-Juwayli, the governor of Dumyat, and one of the most prominent international experts on agricultural economics, has stated: "Arabs import wheat from areas that are geographically far away, such as the United States, Australia, and Canada. How much time is required for contracting and transportation, until the wheat finally reaches us, especially when we need it quickly? Let us imagine, for example, that there is a strike or a work stoppage at one of the foreign ports, or tense political conditions, climatic reasons, ship incidents or, at the least, the occurrence of the kind of maritime swindle that can happen in this situation. A country that has no wheat reserves could then be exposed to inevitable famine. Therefore, the need is for wheat security, in the sense of providing reserves sufficient for at least six months." How to achieve self-reliance? There are three main views now being expressed by agricultural experts in the Arab Nation with regard to the wheat problem:

1) The first view sees the possibility of achieving self-sufficiency in wheat within the framework of national policies, working to provide it through its

cultivation throughout the region, without regard for climatic or other conditions which might not be absolutely propitious for wheat. This could lead to raising the costs associated with not having the best quality wheat. The Saudi experience is a good example of this viewpoint. Up until 1982, Saudi Arabia produced 300,000 tons of wheat a year, while total consumption was 900,000 tons. In 1983, Saudi Arabia planned to grow wheat by increasing the cultivation area to 2.3 million hectares, and wheat production rose to 3.4 million tons. Consequently, Saudi Arabia today holds sixth place in the world, in terms of wheat production, and even exports wheat. The problem here is that the cost per ton of wheat in Saudi Arabia is 900 Saudi riyals, and the government buys it from the farmers for 2,000 riyals. Its world price is only 400 riyals, and these figures reflect the extent of the fiscal extravagance that burdens the Saudi budget each year, because of the wheat subsidy. The Saudi Arab Agricultural Bank—with 70 branches located throughout Saudi Arabia—gives farmers loans and assistance. From 1982 to 1988, these loans were valued at 23 billion riyals, while the assistance totalled 8.5 billion riyals.

2) The third [as published] view thinks it may be possible to achieve wheat self-sufficiency within the framework of regional—not national—investment of Arab resources, especially since the Arab Nation includes the Nile and Euphrates basins. They are among the most fertile river valleys in the world. Despite that, the Arab Nation ranks after the Soviet Union in terms of acreage. Total cultivated land does not exceed 46.2 million hectares, i.e., approximately 3.2 percent of the Arab Nation's surface area. Land area planted in grain amounts to 23.247 million hectares [passage illegible]. While some Arab countries complain about population growth, especially Egypt (54 million), the Arab Nation's population today numbers only 161.3 million, which is considered small in view of the Arab Nation's area, amounting to 10.6 percent of the total world surface, while its population only numbers four percent of the total world population. Population density does not exceed 11 persons per square kilometer, and rural population constitutes the great majority, or about 60 percent of the population.

In this context, the elements of comprehensive growth are available in the Arab Nation. Moreover, the components to meet the wheat crisis—as a strategic weapon and a basic food—continue to be abundant in the Arab Nation. If the treatments used for the wheat problem—like the rest of the Arab problems—remain in a regional framework, we endorse the call for the establishment of an Arab wheat council under the aegis of the Arab League's Economic Council, with its mission confined to achieving the following tasks:

1. Draft feasible and timely plans and programs to increase wheat production on a regional basis;

2. Increase the arable land allocated for grain cultivation, because there is still considerable arable acreage not being utilized, as is the case in Sudan and certain other Arab countries;
3. Facilitate agricultural exchanges, by abolishing customs and local fees that are, at times, imposed on crops imported from one Arab country to another;
4. Improve the roads and communications network that link the Arab countries together, in order to facilitate the exchange of agricultural products;
5. Create possible monetary easements to settle payments stemming from the exchange of agricultural products among the Arab countries;
6. Endeavor to stop the flow of agricultural experts out of the Arab Nation, and give them the attention required;
7. [passage illegible] Arab agriculture among the Arab states, and grant them the right to own the lands that they utilize as acreage; and,
8. Exchange the results of scientific research and expertise among the Arab countries, and encourage research courses and effective participation in specialized agricultural conferences and forums.

#### An Arab Budget

What do Arab economic experts think of this idea? Can it be done within the framework of currently existing institutions in the Arab League, or does it require the creation of structural and institutional changes?

Dr. Hamid al-Baylawi, an economic expert in Egypt, stressed that this idea, as the jumping-off point for Arab food security, is not an individual requirement for each country, but rather, it is an Arab need, which must to be provided to the Arab Nation as a whole. From this perspective, the advantages of this requirement cannot be gained by one country without the others. For example, carrying its burdens must be put on the shoulders of the Arab Nation, and these burdens distributed in accordance with financial ability. [passage omitted]

#### Collective Arab Policy on Eritrean, Sudanese Wars Urged

90AA0115A London AL-HAWADITH  
in Arabic 13 Apr 90 pp 32-34

[Article by 'Afaf Zayn: "Eritrean Victories May Alter Red Sea Identity; Solving Eritrean, Southern Sudan Problems Governs Arab-Ethiopian Relations"]

[Excerpts] The statements Kassa Kebede, the number two man in Ethiopia, made upon the conclusion of his recent visit to Tel Aviv reaffirmed the ties of optimal strategic cooperation between his country and Israel. Meanwhile, the Arab reactions to these statements and to the preceding talk about firm cooperation between the two countries have not gone beyond expressing surprise

and denunciation to touch on the need to establish a collective Arab strategy to deal with Ethiopia. Whereas the majority of the Arabs believe that the Ethiopian-Israeli relations peaked in the coordination established in 1984 to transport Ethiopia's Falasha Jews to Israel and then continued in the direction of efforts by Israel to replace Mengistu's friends so as to enable Mengistu to stand fast, ancient history reveals the deep-rooted partnership existing between Addis Ababa and Tel Aviv—a partnership which has reached the extent of the strategies to which Kassa Kebede referred in the statements he made in Tel Aviv. At the same time and in contrast with the old and deep-rooted Ethiopian-Israeli coordination which has continued by varying degrees despite the diplomatic estrangement between Ethiopia and Israel in the wake of the 1973 war, the Arab relationship with Ethiopia is confined to belated reactions that issue individually from neighboring Arab capitals which are concerned with the Eritrean and Southern Sudan issues. To counter the Israeli strategy which underlines the Tel Aviv-Addis Ababa relationship, there is no similar collective Arab strategy which has the necessary elements to underline the historical ties, the natural neighborliness and security, and the common future. Ethiopia is linked to the Gulf region through the Red Sea and the Horn of Africa, where Sudan constitutes the strategic dimension for Egypt and is a stronghold of Arab culture and security in the black continent. If the relationship between Tel Aviv and Addis Ababa relies on a pure dimension of time and interest dating back to the proclamation of the State of Israel and on prior historical coexistence between the two peoples, then it is difficult to understand the reasons for the absence of a collective Arab plan to organize a similar relationship between the Arabs and the Ethiopians in light of the abundant historical ties between the two peoples. So Ethiopia's rapprochement with Israel has strengthened the chance of the absence of an Arab strategy that organizes the relationship with Ethiopia. Consequently, the Arabs are partly responsible for what has happened, even though this Arab responsibility is mitigated by the normal relations established between Addis Ababa and the neighboring Arabs.

Within this particular context, it is befitting to explore the true dimension of the Ethiopian official's statements about the strategic relationship between his country and Israel. According to this same vision, we should probe the possibility of establishing a collective Arab strategy to deal with Ethiopia, considering that such a strategy will contribute to developing a proper framework for solving the Eritrean and Southern Sudan problems. We should do this instead of allowing the Arab dealing with Addis Ababa to continue to be confined to reactions to Ethiopia's performance in connection with these two conflicts. It must be said that the continued presence of these two conflicts without a solution gives Tel Aviv the opportunity to continue implementing the policy of moving closer to President Mengistu's regime and to persist in its declared wager on this regime's survival in order to prevent altering the Red Sea's identity and transforming it into an Arab sea should the current

regime fall, should the Greater Ethiopia break up, and should an Arab Eritrean state be founded on the Red Sea coastline, as Kassa Kebede, the number two man in Addis Ababa, said in his statements during his recent visit to Israel.

The talk about the possibility of establishing an Arab strategy that governs the relationship with Ethiopia presumes the presence of a harmonious Arab position toward the Eritrean and Southern Sudan issues. It is noted that the immediate, but not the main, reason for the tepid Arab-Ethiopian relations is President Mengistu's position on these two issues to which the Arabs attach utmost importance, though by varying degree from one capital to another.

It is noted that the Arab position toward the Eritrean and Southern Sudan issues is not, despite the controversial connection between the two issues, based on clear invariables, because of the presence of the Ethiopian element in both issues. Whereas the Arabs express satisfaction with the results of the internationalization of the Eritrean issue and express optimism in connection with the fall of the Port of Massawa in Eritrean hands, they refuse to take the issue of Southern Sudan out of its internal national circle. If they do, they are content to put this issue in the regional circle. Meanwhile, the Arab capitals express concern over Colonel Garang forces' blockade of the town of Juba and consider Juba's fall in his forces' hands a major Arab defeat that tops the Eritreans' seizure of the Port of Massawa. Inversely, the Arabs underline the ethnic and racial identity of Eritrea and justify their support for the Eritreans by the ties that bind them to the population of the province of Eritrea that is demanding independence from the united Ethiopia, whereas some Arabs are reluctant to and find it embarrassing to acknowledge the richness of the Sudanese diversity that is similar to the Ethiopian diversity. The Southern Sudan issue is tackled as if it were a secessionist movement, keeping in mind that the SPLA [Sudanese People's Liberation Movement] is not demanding secession from the united Sudan. Consequently, the Arab approach to the Southern Sudan issue ignores the claims of this issue's custodians and the demands of the other Sudanese provinces to share the national wealth and the political decisionmaking, and to enjoy their right to exercise the elements of their religious and ethnic distinction. These are the same demands which are voiced by the Eritrean factions calling for secession from Ethiopia and which the Arabs support. At a time when the Arab region is moving toward applying the approach of regional blocs to counter the major European blocs and the western blocs generally, and when the past year witnessed the birth of two Arab blocs in the Arab East and in the Arab Maghreb, the Eritrean factions, supported by the Arab majority, reject an ambitious political plan which has been approved by the Ethiopian parliament and which calls for administrative decentralism and for granting all the provinces, including Eritrea, a self-rule which

enables them to exercise their religious and racial identity and to exploit their local resources within the framework of the united Ethiopia. At the same time, efforts are being made at the level of the Arab Maghreb bloc to persuade the parties to the Sahara conflict of the virtues of administrative decentralism and of self-rule within the Kingdom of Morocco and as part of the ambitious Maghreb bloc that seeks to counter a Europe approaching imminent unity. Simultaneously, Sudan offers Col. Garang a similar plan that grants the south self-rule as a solution to the problem in the southern part of the country. This was the recommendation made in the final statement of the national conference which Khartoum hosted a number of months ago. This recommendation has been supported by the majority of the Arab states concerned with preserving the unity of Sudan's soil by acknowledging the need to give the southern provinces the opportunity to exercise the elements of their distinction and to share the national wealth and the political decisionmaking.

Adopting the principle of justice and equality between one's self and others is perhaps the best formula for organizing the Arab approach to the Eritrean and Southern Sudan issues. This is in addition to the dire need to move toward establishing integration in the form of regional blocs that counter the west which has adopted similar integrative formulae. The Arab world cannot ask Ethiopia to accept what the Arab world itself rejects. When the Arab region supports Sudan's proposals to solve the southern issue through adoption of the federal government formula, then Ethiopia cannot understand the Arab world's full support for the Eritrean factions' rejection of an offer which is similar to the Sudanese proposal and which was approved by the Ethiopian parliament last fall. Therefore, it is not difficult to understand the particulars of the tense situation between Addis Ababa and Khartoum, considering that Sudan hosts a number of Eritrean leaderships and the camps they use to train their cadres. Prior to the recent fall of the Port of Massawa, Khartoum also permitted caravans carrying war material, munitions, and supplies to sneak through the borders with Ethiopia to the liberated parts of Eritrea.

On the other hand, the talk about adopting the approach of justice and equality between one's self and others—an approach that is supposed to be adopted in order to deal with the Eritrean and Southern Sudan issues—is not in conflict with the dictates of Arab support for the proposals on the Eritrean issue. From a purely Arab viewpoint, the Eritrean conflict has gained its special mechanism which has been reinforced by the UN resolutions which acknowledge the special character of Eritrea's vanquished sovereignty. Subsequently, Eritrea was attached to the Ethiopian State as a result of the western colonialist experience in the Horn of Africa. But to make the Arab support for Eritrea successful, it is not conditional that the Arabs antagonize Ethiopia, considering that such antagonism undermines the cause and the desired solutions for the issue.

The Arab position toward the successive political regimes in Addis Ababa, which shifted sharply from the imperial rule to the socialist rule, must be separated from the Arab support for the Eritrean struggle. This support must also be separated from the nature of the relationship that is supposed to be established between Ethiopia and the neighboring Arabs. This support must be based on Arab conviction in the Eritrean issue's legitimacy and not on the Arab positions toward the regimes ruling Addis Ababa. A good Arab-Ethiopian relationship will make it possible to secure the guarantees needed to give the Eritreans the opportunity to determine their future on their national soil. A good Ethiopian-Arab relationship may even create a proper climate that reassures the Red Sea states of the tendencies, foreign policies, and loyalties of the new Eritrean entity, in case the interest-based calculations of the major powers permit this new entity to materialize. It is within this context that one can evaluate the meeting a number of Eritrean factions held with an official Ethiopian delegation in San'a' this week. This is the first official meeting between the two sides since the Port of Massawa fell in the hands of the ELF [Eritrean Liberation Front]. A good Arab-Ethiopian relationship, if the Arabs develop a constant strategy to govern it, may provide an honorable and fair opportunity to settle the Eritrean problem by applying the UN resolutions through a referendum to determine the future relationship between the Province of Eritrea and the Ethiopian State. The economic and political reforms declared by President Mengistu in the wake of the autumn of socialist collapse in Eastern Europe open a wide door for the possibilities of improved relations between Ethiopia and the neighboring Arabs and between Addis Ababa and the extended Arab region in Sudan and Somalia. The most significant irritants obstructing such an Arab-Ethiopian relationship are the Eritrean and the Southern Sudan problems, in addition to the Israeli schemes to establish links with Ethiopia in accordance with the theory of the triangle envisioned by Ben Gurion—a triangle that extends from Turkey to Iran and through Ethiopia. Ben Gurion talked at length of Israel's need to maintain firm friendships with the sides of this triangle so that it may be able to counterbalance the Arab region with its diplomatic weight, population density, and natural resources. It is not surprising that the Israeli triangle theory encompasses states located at the peripheries of the Arab region and at its borders in Africa, Central Asia, and the Far East. This is why it is necessary to speed up the development of a final solution to the Eritrean and Southern Sudan problems so as to close the dossier of the irritants disturbing the Arab-Ethiopian relationship. This is also why it is necessary to proceed to develop an Arab strategy parallel to the Israeli strategy to govern the Arab dealings with Ethiopia—which constitutes the security dimension for Egypt, Sudan, the Arab Peninsula, and for Arab security in its entirety—in order not to allow Tel Aviv to exploit the Arab tepidity toward Addis Ababa to serve Israel's interests and to fill the void in Ethiopia, whether in the armed forces or in development, by offering just the right aid to trap Ethiopia and to exploit its regional role in the

interest of turning the Red Sea into an area of constant tension and concern for the Arab states overlooking this sea and for the entire Arab region. [passage omitted]

The Islamic tendencies declared by Khartoum's rulers are not in conflict with a multiethnic, multiracial, and multireligious Sudan. The political history of the Islamic government experience shows that the mainstays of the Islamic political and cultural presence were strengthened with the contributions of peoples and nations belonging to other religions and creeds. Perhaps Khartoum's rulers realized this fact when they announced suspension of the Islamic *shari'ah* [Islamic law] laws in the southern provinces with the objective of preserving the unity of the diverse Sudan. Therefore, the Cairo meeting on Southern Sudan and the San'a' meeting on the Eritrean issue constitute the most prominent positive developments on which the common Arab action can wager to create just and final solutions that close the dossiers of the Arab-Ethiopian hostility. Perhaps the fundamental condition for utilizing these developments lies in Arab adoption of a realistic approach which shows no conflict between what it offers the SPLA regarding the virtues of decentralized government and what it demands for the Province of Eritrea. This realistic and just approach is justified by the similarities between the multiethnic, multiracial, multireligious, and multiracial Greater Ethiopia and the Arab region, including both the Arab East and Arab Maghreb. The idea of granting independence to every group on the basis of its religious or tribal distinction harbors the perils of the fragmentation and partition that have struck the Lebanese homeland. The special mechanism included in the UN resolutions for the Eritrean issue spares the Arab region the problem of justifying its support for this issue on a purely religious and racial basis—a basis which the Arabs have rejected in Southern Sudan and in Lebanon.

The surprise and denunciation expressed over the rapidly growing Ethiopian-Israeli relations amount to no more than a bemoaning policy that continues to move within the confines of reaction to a serious political event amounting to a major conquest accomplished by Israel's foreign policy within a single decade in the direction of creating the sides of the well-known triangle that governs Israel's strategy of dealing with the empire-like states surrounding the Arab world. It is to be noted that the triangle of Israeli interests is tied to water arteries that cross through and surround the Arab region, beginning with the Nile and the Euphrates Rivers and ending with Shatt al-'Arab. The Arabs possess major capabilities that make them eligible to mend the rift with the major states forming the sides of the triangle in order to outflank the Israeli lines that seek to besiege the Arab world within the well-known Israeli triangle. Therefore, the proper response to the growing Ethiopian-Israeli friendship cannot be crystallized without observing the firm relationship between this triangle's sides and without establishing a constant strategy that governs the relationship with Ethiopia. This strategy should not allow the state of unjustifiable hostility to give Israel

more time to carry on with its triangular strategy to besiege the Arab region. This is why efforts must be made to accelerate the development of solutions to close the files of hostility with Addis Ababa. If Addis Ababa is not responsible for what Ben Gurion schemed when he planned for his triangle that goes through Ethiopia, the Arabs do shoulder maximum responsibility if they observe the minor details and ignore the essence in their dealings with Ethiopia. Perhaps the fundamental reforms declared by the Ethiopian regime in the wake of the autumn of socialist collapse provide the Arab region with the best opportunity to turn a new leaf with Addis Ababa. The issue is greater and more serious than the matter of several thousand Ethiopian Jews whom President Mengistu barters for weapons and military aid from Israel with the objective of protecting his régime from the Eritrean victories that threaten to alter the Red Sea's identity.

## ALGERIA

### Increasing Influence of FIS Described

90AA0069A Algiers *LIBERATION*  
in French 6 Apr 90 pp 34-35

[Article by Jose Garcon: "Algeria Adrift"]

[Text] Nabila is not even angry, just used to it. Oil is back on the shelves in the stores and she has just waited in line for a half-hour to buy a five-liter can. One week after Ramadan, the problems of supplies—and prices—are still a nightmare, despite the shiploads of food that the government arranged to bring in from abroad to meet the needs of the traditional iftar [first meal after sunset during Ramadan], the festivities accompanying the end of the fast. In Algiers, on the first day of Ramadan, men, women, and children besieged the souk-el-fellah at Bab-el-Oued three hours before it opened to buy meat. In Constantine, fruits and vegetables were being sold at unprecedented prices.

With high prices, scarcities, and a shortage of many items, Nabila has no trouble identifying what has changed for her in the past three months: the share of her budget allocated for food has increased by 50 percent—and her meat consumption, already reduced to a minimum, is plummeting. "And I really do not have anything to complain about: there are not very many people like my daughter and I who have only two persons to cover with their wages."

However, she refuses to resign herself to another major change. In her building in a development in Algiers, she is now the only one who does not wear the hidjab. She does not believe that she is dramatizing the situation, as she has downplayed the importance of the integrists. "Today people who belong to neither the FIS (Islamic Salvation Front) nor the FLN (National Liberation Front) feel like they are in the minority. It does not make any difference to know that this is the dilemma that the government wanted to put us in—choosing between the

FLN or integrism—you cannot help but choose sides. People say that if 5,000 to 6,000 women demonstrated in Algiers on 8 March to demand equal rights with men, that makes 6,000 less for the FIS...."

The concern caused by the growing influence of the "little brothers"—the Muslim Brothers—is everywhere. "They have transformed the university into a retirement home: with a majority on the students' committee, they have banned music and parties," says Mustapha with exasperation. He had to pass a "checkpoint" of the "bearded ones" as he was leaving the university, and had to explain who the girl with him was. That is nothing compared to a recent attack using iron bars. "The police did not want to register our complaint, on the pretext that there was no proof. What proof? I guess they wanted us to bring in a body...," he said furiously.

In Algiers, as in all the major cities in the country, stories of the misdeeds of the integrists, particularly against women who are still their favorite target, abound. There are also stories showing their ability to play on people's credulousness: on 2 March of this year, in a country stricken with a terrible drought, they appealed for rain during the Friday prayers. So what if they had consulted the weather report, as the rumor goes: the next day it rained buckets!

Putting the weather aside, their resources are otherwise considerable. Beginning with money. The money from the collections taken in the mosques, the money of the merchants who "launder" all their illegal payments by "giving to God," and especially the money of the Saudi ulemas [theologians], who are financing the FIS on the belief that they are encouraging a "moderate" Islamism likely to become part of the government, to prevent an Iranian style Islamism. "Money is fundamental: it makes the struggle against the integrists unequal," a book vendor believes. He knows what he is talking about. Religious books are flooding the market. Baskets full of books by the most reactionary authors arrive from Saudi Arabia and Iran, with free reproduction rights. With 50,000 copies printed at a time, these books, which account for up to 85 percent of the sales volume of some bookstores, are sold cheaply: 40 dinars as compared to 90 or 100 dinars for any other book.

But this money would be meaningless without fertile ground on which the integrists can develop like fish in water, after having benefited from a political void for nearly three decades, during which time the mosques were the only places where people could speak out against a regime judged "corrupt" and "illegitimate." "The major difference between them and the government authorities, is that they take care to answer people's daily concerns," a doctor observes. There are innumerable examples. About 15 months ago, the oldest member of the Kouba mosque, the holy place of integrism in Algiers, and a former boxer created a Koranic school for children three to six years old. Over 250 children are learning to read there—using the Koran. Professors provide free tutoring services for the baccalaureate. As

soon as a need arises here or there, the gifts of the people—clothes and food—stored in the basement of a mosque are quickly distributed. This is one way for making up for the failings of the government, which favors proselytism. Especially in a society where the problems of daily survival worsen every day and where the need to raise the morale of a deprived and abandoned people is equal to the arrogance of the nouveaux riches.

The object of a jeering crowd in early March at the start of the Africa Cup soccer match, Chadli Bendjedid could measure the exasperation and tension that the sport only serves to set off. The ruling class is well aware of this frustration; it was afraid that a defeat by Algeria could trigger violent street demonstrations. "Abassi Madani, Abassi Madani"—the FIS leader—shouted an impassioned crowd during the Algerian-Egyptian match (LIBERATION of 15 March), before swarming out of the stadium while chanting: "For the October martyrs"—the victims of the 1988 riots—and yelling: "Watch out, the earthquake is coming, get your hidjab ready."

These slogans, however, reflect more the rebellious opposition of the common people than any adherence to a social plan. In some communities, the integrists are thrown out when they try to establish themselves in the mosques. "Everybody is afraid of an FIS landslide at the municipal elections scheduled for next June," a diplomat explained. "But there is no guarantee that the people who frequent the mosques will vote for their candidates, or that the various organizations comprising the Islamic galaxy will automatically regroup behind it."

The reaction of some members of society is no less strong. Women, intellectuals, and a number of journalists have mobilized "against intolerance." The 100,000 people—larger than the integrist gathering in Algiers in December—who demonstrated in the capital last February for the "Berber Cultural Movement" also show that although the integrist problem is serious, it is not fatal.

"The strength of the FIS lies primarily in the weakness of the government authorities," an opponent commented. The unemployed young people who arrived one day at the newly opened premises of an opposition party in Bab-el-Oued were saying nothing more than that. These adolescents, who belonged to the FIS but liked music and the "erotic films" shown on "foreign television," joined this party because it too denounced "the injustices and corruption of the government."

The failure encountered by the FIS during the recent floods in Ouargla and El Oued also gives cause for reflection. When it attempted to repeat the "coup" it managed at the time of the Tipaza earthquake; when it took the place of a scandalously absent government and distributed food, tents, clothing, and blankets; its efforts were stymied, because this time the government was there with its aid.

That does not matter: For young people tired of living in despair and with bleak prospects, "Abassi Madani" has

become a sort of magic word expressing their discontent, rejection, search for an identity, and disapproval of a regime from which people no longer expect anything, except the worst. "When they scream out Madani, people shout at them: 'To hell with you, we are sick of you,'" Kader says. Eighteen years old, without a job, he only hopes that "with Islam, the society will be more just" and that then he "will have a chance."

"The government could react against the integrists, but if it were to do that, it would have to stop making concessions to them, and go out into the streets and explain its policy, and more importantly it would have to put an end to this manipulation from the top that could touch off the explosion which is threatening every day," according to an official who is no longer hiding the fact that he is fed up. In his opinion, it appears as if the ruling class were aware of how the situation is deteriorating, "but not of how fast it is deteriorating."

Thirteen months after a new Constitution instituting a multiparty state was adopted on 5 February 1989, the breakdown of the democratic process is evident and the cleavages within the political establishment seem to have reached a point of no return. There are 22 established political parties now. The first free municipal elections are scheduled for 12 June, even though the ridiculously short time available to these parties—which are either newly created or have just emerged from clandestine operations—to get organized will favor the FLN.<sup>1</sup> The people have found a voice that they have been deprived of for a quarter of a century. The subject of interminable discussions in the FLN Central Committee, the law on money and credit, which will allow foreign investment in Algeria, was finally adopted on 26 March 1990.

But the setbacks noted in the past few weeks seem to have postponed indefinitely any improvement in the situation and made the FLN the dominant, if not the only, party.

Since its last congress in November 1989, the never ending power struggles have been growing worse. The major change is probably that they are now out in the open and people no longer hesitate to criticize Chadli.

Excluded from the FLN's Political Bureau, the former leaders of Boumedienne's regime and those dismissed after the October riots have had no trouble making it clear to the "reformers" grouped around the head of state that they need to count them in. Because they know that FLN supporters are clamoring for them, these former officials have refrained from participating in the "explanatory meetings" in the different wilayas. The result is that the meetings organized with Political Bureau members unknown to the public have been a complete fiasco.

In the face of the two forces mobilizing the people—the FIS and Hocine Ait-Ahmed, one of the "historic leaders" of the Algerian revolution who returned from exile last December—there is a great deal to reflect on. For if no agreement is reached within the FLN, the old leaders could boycott the elections. "Or we could explain to the

militants our personal positions, which may be different from the official speeches, on problems such as the Polisario or the October riots," according to the threat voiced by one of these officials, who underlined the fact that "some sectors of the army" were well disposed to hear this sort of argument. Knowing that he was touching on two sensitive points there, he made it clear that in his eyes, "the FLN's only chance for revival is perhaps to go through an opposition phase."

This contention is aptly expressed by a minister, who just a few months ago was in favor of creating a "presidential majority" to support the head of state. "If I am now advocating a strong and united FLN, it is to win the elections. Without this unity, defeat is certain."

The price of this unity is high, nevertheless. "Boumediens retreat and advance, and are engaged in a trench warfare that the head of state has been winning up to now, but which is wearing him out, while his adversaries in the political establishment are gaining ground," remarked an Algerian diplomat while deplored the fact that Chadli "is now paying for the void he created around him, despite good intentions and good intuitions, which nobody is denying."

It is in this guerrilla warfare that we need to look for the causes of the current deterioration. During his address to the FLN Central Committee in early March, Prime Minister Mouloud Hamrouche, head of the "reformers," had to back down on the "reforms" and multiply the concessions to reassure the party. The reply by the FLN's secretary general to those who protested the approval of two newspapers for the former single party was: "Who can contest that EL MOUDJAHID and EL CHAAB belong to the FLN?" Not to mention the adoption of a press code that resembles a second penal code. Or the allocation of a minuscule amount of money for the operations of the political parties, when the FLN still has a considerable budget.

"We are used to navigation by sight, but this time we are in the midst of reefs," an attorney commented. The FLN has dwindled down in size: one party that directs and one that contests. The economic crisis is decisive, but it is also the result of political bankruptcy. People need to be given renewed confidence to get them back to work. Now the state is anchored increasingly in an FLN that has neither the legitimacy nor the universal suffrage needed to reclaim power. Chadli wants to reform the party, not to scuttle it, for neither he nor anybody is ready to pay the historical price that this would cost. The result? The president is at the head of a party that only dreams of sacking him and is multiplying the concessions to the FIS and the Ba'athists. It is Kafkaesque. "These concessions are not denied by one minister: "That has always been the trouble with the FLN: it should be more Islamic and nationalistic than anybody else."

Fear of the FIS and of a possible alliance of integrists with former President Ahmed Ben Bella, who is living in exile in Switzerland, has spread confusion. "Everyone would rather see Ben Bella stay where he is, but since nobody can make

him do that, there is consensus—and many second thoughts—in the FLN not to oppose his return, or even to encourage it," the director of a newspaper explained.

Does the political establishment, afraid that the populism of the former president will win over the crowds by riding the Islamic wave, therefore hope to "channel" this upsetting return? Chadli also views this as an opportunity to use Ben Bella to counter an Ait-Ahmed, whose popularity has begun to spill beyond the borders of his region, Kabylie. On 25 March, he drew 2,500 people to a colloquium at Constantine University, a stronghold of integrists and Ba'athists. Two months earlier, he drew a crowd of 8,000 to 10,000 persons to a meeting in Oran.

Despite a superficial consensus, the return of Ben Bella is a source of concern for a number of former officials who participated in the 19 June 1965 coup d'état that removed him from power and installed Boumediene. In these circumstances, the desire to divide these ex-officials, and to instigate a final, unique conflict between these "stars of the past," in order to discredit them completely and rebuild an FLN from the bottom up, is an important part of Chadli Bendjedid's reasoning.

Is this an absurd debate taking place between men from a generation that is totally cut off from the masses who can vote, mobilize, or touch off an explosion in the country? "The unfortunate thing is that playing with matches on top of the powder keg that the streets have become could destroy all of us," an official noted. Similarly, an attorney does not hide his concern: "With an unstructured society reduced to beggary, a class of young people in despair with nothing more to lose, and manipulation at the highest level, we have all the conditions for a disaster."

#### Footnote

1. Several parties, including the PAGS [Socialist Vanguard Party] (communists) and the Front of Socialist Forces (FFS) have announced that they would boycott these elections.

#### EGYPT

##### MB Leader: Party Legitimate, Can Lessen Extremism

90AA0162A Kuwait *AL-QABAS* in Arabic  
4 May 90 p 21

[Article: "Al-Hudaybi Reveals 'Serious Decision' to AL-QABAS; Muslim Brotherhood To Proclaim Its Party on 1 June; We Will Not Await Approval of 'Parties Committee' Because Legists Support Establishing Party; Why Have Coptic Party When Church Defends Coptic Interests; Tacit Agreement Between Regime and Brotherhood Has Bolstered Group's Influence"]

[Excerpts] Cairo—AL-QABAS Bureau—The Egyptian MB [Muslim Brotherhood] Supreme Guide has begun to make the arrangements for proclaiming foundation of

the MB Party without resorting to the Political Parties Committee, as required by the law.

AL-QABAS has learned that the Supreme Guide is expected to take this step at the beginning of next month when the fate of the current People's Assembly becomes totally clear, in light of the decision to be made by the Supreme Constitutional Court on the constitutionality of the election law in accordance with which the current People's Assembly was elected.

Magistrate Ma'mun al-Hudaybi, the most prominent MB deputy at the People's Assembly, has explained the causes motivating the group to plan to proclaim foundation of the party, saying: The brotherhood does not intend to stray from legitimacy or to violate the language of the law. However, we have an intellectual and legal argument which is supported by numerous legists and which permits us to proclaim foundation of the party without resorting to the Political Parties Committee because many articles of the political parties law have been deleted. Getting the Political Parties Committee's approval is no longer essential for founding the party.

Regarding the time set by the Supreme Guide to proclaim foundation of the party, Magistrate al-Hudaybi has said: We hope that the authority or the government will take the lead by either abolishing or amending the law to insure abolition of the currently existing articles which amount to an open violation of the constitution and of the logic and nature of the democratic regime.

Al-Hudaybi refused to announce a specific date for proclaiming the foundation of the party, saying: "If a proper period of time passes without our receiving a response in this regard, we will be compelled to proclaim foundation of the party and to resort to the judiciary for arbitration." [passage omitted]

#### Tendency's Strength

On the other hand, the idea of founding an Egyptian Islamic political party raises, first, the issue of the relationship between the state's political system and the Islamic forces and, second, the issue of these forces' relationships with the other political and party forces.

The statements made by al-Hudaybi raise two important points:

First, they signify the relative strength enjoyed by the Islamic tendency in the area of political and popular action.

Second, the challenge the Islamic forces impose on the regime in their effort to gain their right to an independent political organization.

Even though the ultimate goal of any Islamic group is to establish an Islamic state and a religious government, the MB has—since the revival of its political activity in the 1970's—accepted the rules of the political game and has consented, even if only temporarily, to the concept of democracy and pluralism, subsequently accepting the

conditions for party and parliamentary action. This is how the MB has gained the characteristic of moderation and how it has come to be the moderate force within the Islamic tendency, i.e. the force that seeks change through the legitimate political channels and that agrees to deal with the existing institutions. This became evident through the MB's acceptance of the idea of the unified list with al-Wafd Party in the 1984 election and then the idea of the alliance with the Liberal and Labor Parties in the April 1987 election. The MB was thus included in the political process and has thus become a part of the process. But all this has been done in accordance with clear conditions set by the political regime, of which the most significant has been the condition not to give the MB the right to an independent political organization, even though the regime has allowed it a broad margin of political activity and free expression. In this, the regime has sought to implement a specific policy founded on two elements:

First, enhance the democratic process in Egypt and create the large-scale relaxation this enhancement requires between the regime and all the political forces, including the Islamic forces.

Second, make a distinction between the moderate tendency, represented by the MB, among the Islamic forces and the radical forces that embrace political violence. During al-Sadat's administration in the 1970's, the political regime relied on the liberal political forces—both rightist and leftist—to confront the radical religious elements. But in the 1980's, the regime seemed more inclined to rely on the moderate forces within the Islamic movement to confront the movement's radical elements. This is what is ultimately interpreted as the Egyptian political regime's adoption of a more liberal policy toward the MB. Under the umbrella of this policy, the MB has been able to steadily infiltrate the state and social institutions, beginning with the parties and ending with the professional unions, the teaching faculties' clubs, and the student unions. These are the institutions which have seen the Islamic forces grow rapidly within their framework.

#### Growing Influence

This indirect tacit agreement between the regime and the MB led to the MB's increased influence and impact in the Egyptian political and party arena in the 1980's because there no longer existed any political party or force, excluding the leftist Grouping Party, which did not raise Islamic slogans when addressing the masses. It is within this context that during the latest People's Assembly election in April 1987, the ruling National Party's election program called for adherence to the values of the orthodox religion and of the Islamic *shari'ah* [Islamic law] as a main source of legislation. Also, the opposition parties nearly agree on the same issue. Al-Wafd Party, which has its secular tradition, stressed in its program that Islam is the state religion and that the principles of the Islamic *shari'ah* are the main source of legislation. The Labor Party was no less eager to stress its

position toward the Islamic *shari'ah*. We find the same tendency in the Socialist Liberal Party which confirms on every occasion that the Islamic *shari'ah* provides decisive solutions to the problems experienced by the Egyptian society in its entirety.

Thus, all the Egyptian political forces vied to gain Islamic legitimacy, not only by raising Islamic slogans and embracing the demand for applying the Islamic *shari'ah*, but also through their endeavors to attract the Islamic forces by virtue of what they envision as these forces' ability to attract the masses. Consequently, the MB has been the true beneficiary of these party tendencies.

#### MB Party Is Natural Consequence

All these preludes have led to a clear consequence, namely the growth of the Islamic forces, while the other political forces have suffered from shakiness in their distinctive identity. Therefore, the MB's demand to establish its own political party is not surprising, considering that the MB has exploited the political climate throughout the past years.

What is indubitable is that this demand is understandable in the current phase for numerous reasons, including the fact the organizing the MB in an independent party can accomplish two objectives that are essential for the development of democracy in Egypt:

First, bring about a political separation of the political forces and work to highlight the distinctive identity of each of these forces, thus helping to create a climate of competition between them. This is essential for the growth of the Egyptian party experience.

Second, compel the Islamic forces, in case they are organized in an independent political party, to formulate a program that defines their positions toward the domestic and foreign problems. The slogan of "Islam is the solution" with which these forces are trying to rise above the other forces is not enough.

In return for these two objectives, the presence of an Islamic political party will spare the regime the need to resort to the containment policy which it has employed against the Islamic forces for a long time. This policy has dictated numerous political concessions serving the interest of these forces, even at the expense of the other forces, and has ultimately led to enhancing the strength of the Islamic forces, without either pleasing them or reducing the political violence that characterizes the Islamic groups' actions.

Thus, the presence of an Islamic political party will be tantamount to a touchstone for testing the MB's credibility or its ability to contain these groups, taking into consideration the fact that the MB has wagered for a long time on playing the role of mediator between the regime and the Islamic groups, in its capacity as the Islamic force capable of controlling political violence in Egyptian society.

#### Privileged Treatment of Ruling Party Candidates Detailed

90AA0052A Cairo AL-JUMHURIYAH  
in Arabic 4 Mar 90 p 5

[Commentary by Muhammad al-Hayawan]

[Text] Money must be spent for elections. The candidate organizes tours that proclaim his name; he prints pamphlets and banners that promote him and the party which he represents, and he sets up pavilions where he speaks to his supporters, and all of this requires expenditures, heavy expenditures. That is the legal side of the spending. There is also an illegal side, called the election keys. By that it is meant that in every village there is a chief watchman and certain personalities who influence votes. In the cities there are also some elements that influence voting activity, and some of those work only for those who pay. Principle means nothing to them, and party adherence is zero, but if they are paid they work to propagandize whoever has paid. Some of them own coffeeshops, and take only the cost of the drinks, but in spite of that they often cheat on the account; in fact some of them open the coffeeshops to more than one candidate, but at the expense of the candidate.

The government forbids all that, with respect to the opposition candidates, and it insists that their meetings be in closed places. The opposition is angry, even though the government does that out of kindness to the opposition candidates; the government wants to spare them these exorbitant expenses. The government is trying to make things easy for the opposition candidates, so it does not allow them to give speeches so that their throats will not get sore, and it does not allow them to do tours so as to save them the cost of the cars and the gasoline, and it does not allow them to print pamphlets or to distribute them so that they will not cost them anything. The government has heard that elections in America cost billions of dollars, and that the price of paper rises in election years there. The government does not want the opposition to spend lavishly on campaigning, especially since the outcome is known in most cases, and the candidates of the government will win without any spending, because their very adherence to the government means that they will not stir up any trouble in the parliament, so the government helps them to win, and they have to pay the price!

On the other hand, government candidates are allowed everything, even though they are unopposed, because the opposition candidate's hands are tied. The government candidate is allowed to make all the punches and he will not find anyone who will respond to him. The door is open to the government candidate to score whatever he wants, but it is blocked and closed to the opposition, and even if the speaker himself were an opposition candidate he would not be able to score a single goal because the goal is guarded by the government, which keeps the opposition away from it.

A government candidate is allowed to use government cars in organizing tours, and government gasoline as well. He is allowed to utilize all government agencies in setting up pavilions, and he is allowed to print pamphlets at any printer. He is also allowed to buy cloth for banners from [the Ministry of] Supply, and he can take what he needs to silence the opposition from the governorate treasury.

The government is also quick to support its candidates with consignments from the inventories of [the Ministries of] Agriculture and Supply, with the installation of electric poles, and with promises within the framework of services in general. The government does that, even though there is no competition whatsoever; so how would it be if there were competition?

#### Background Given for al-Fayy whole Events, New Jihad Group

90AA0152A Cairo AKHIR SA'AH  
in Arabic 2 May 90 pp 12-14

[Article by Sayyid 'Abd-al-Qadir: "What Is Behind al-Fayy whole Events; Fall of New Jihad Organization and End of Radical Leader; AKHIR SA'AH Witnesses End of Violence in Ibshaway; Story of al-Shawqiyun and of Why They Declared It Permissible To Kill 'Umar 'Abd-al-Rahman"]

s, which led to a maximum state of emergency in the town of Ibshaway and the neighboring villages in the final days of Ramadan and throughout the days of al-Fitr holiday, have ended with the fall of Shawqi al-Shaykh, one of the most dangerous radical leaders known to Egypt and the leader of the New Jihad Organization.

What is the story of the new organization that has advocated violence in its call in al-Fayy whole throughout the past two years? Why did this organization's founder break away from the radical Jihad Organization which is led by Shaykh 'Umar 'Abd-al-Rahman who also lives in al-Fayy whole? How did conflict develop between the two men and how did it culminate in proclaiming 'Umar 'Abd-al-Rahman an infidel and declaring it legal to assassinate him?

Why did the misguided calls for violence persist there throughout all these past months? How did Shawqi al-Shaykh, who called himself the amir of the faithful and his wife the mother of the faithful, spread his influence over four villages?

Why did some of the youth of these villages respond to his call and why did others succumb to his violence and his thirst for blood? Why did his village people receive the news of his death with joy, firing their weapons into the air to rejoice at getting rid of him?

The papers of Shawqi, a terrorist leader who was nicknamed 'Abdallah and whose wife was called the mother of the faithful, say that his real name is Shawqi 'Abd-Razzaq Ahmad al-Shaykh, that he was born on 16

September 1951 (39 years), that he had a B.S. in mechanical engineering, that his blood type was (AB), and that he worked as an irrigation engineer in al-Fayy whole Governorate until his death. The papers further say that he was a member of al-Shaykh family of Sinru village, which is located 10 kilometers from the district capital of Ibshaway in al-Fayy whole. His family is a big and conservative family of whose members only Shawqi and his brother Ahmad al-Shaykh turned radical. He was married and had three children. His wife lives in al-Fayy whole and his headquarters was in his village, Sinru. He claimed that his lineage stretches back to Imam 'Ali Ibn-Abi-Talib, may God be pleased with him.

#### Promoting Shawqi's Ideas

Shawqi joined at an early stage the underground Jihad Organization which was charged with assassinating the late President Anwar al-Sadat and with perpetrating the October 1981 incidents in Asyut. This is the organization headed by Shaykh 'Umar 'Abd-al-Rahman. Shawqi was arrested in the past, along with the organization members. Upon his release, he was able to move closer to Shaykh 'Umar 'Abd-al-Rahman, the organization amir, and to become his aide and one of his closest confidants. But nearly two years ago, Shawqi broke away from 'Abd-al-Rahman, accusing him of negativism in applying his principles and of laxity. This is why Shawqi decided that his new organization will assume the form a jihad organization should assume and why he called it the New Jihad.

Shawqi then began to advocate his organization's ideas which, in fact, were capable of evoking a response in his immediate society. In this society, the youth suffer from poor economic conditions and a large number of [college] graduates suffer from unemployment or from the lack of marriage opportunities.

The new organization's ideas consider the organization members the only faction that will escape [hell] fire, whereas all the others are infidels whose property is fair game and is considered war spoils in case it is seized. Shawqi called for establishing the caliphate system of Islamic government by force and considered himself the Muslims' caliph. This is why he instructed that his property and his wife's—the mother of the faithful—property may not be inherited. In case of the absence of an organization member for a period of three months, Shawqi made it permissible for any other member to live as a husband with the absent member's wife. He was eager to get all the organization members married. His wife is the one who undertook this task because she was the only one permitted to unveil the veiled faces of the organization's women members and to select the ones suitable to be married to the organization's young men.

Shawqi also believed that force is the best means to disseminate the organization's ideas because Islam, in his belief, proliferated with the power of the sword. This is why Shawqi armed the organization members with

various kinds of weapons: swords, bayonets, automatic rifles, shotguns, locally manufactured Russian-type rifles, and handguns.

Shawqi paid the organization members fixed salaries. To his confidants, the salary amounted to nearly 200 pounds a month. He preached his ideas openly at his mosque, in Sinru village, which was very much akin to a camp for training and lodging his organization members. Nobody from outside the organization was permitted to enter it. The Sinru mosque was not the only mosque under his control. He had a mosque in al-Alawiyah village, another mosque in Kahk village, a third mosque in al-Udami village, and a fourth in al-Rawashidiyah village, all of which are within the jurisdiction of Ibshaway Administrative District. But for Shawqi and his organization members, Sinru mosque was the main mosque where he promoted his ideas in his sermons which were recorded on cassette tapes, each of which was sold for just 1 pound!

#### Red Car Procession

Shawqi did not quit his job at al-Fayyum Irrigation Department to the last day of his life, even though he rarely went to his office! Moreover, no decision was made to either dismiss or transfer him. This is something that merits investigation. Whenever he went to work, he did so wearing the clothes he ordinarily wore, namely a white *jilbab* [long tunic], white pants, and a turban.

Shawqi and all his organization leaderships—there have been varied estimates regarding their number, with some estimates putting the number at nearly 250 leaders and the followers at 2,000 members spread throughout the four villages proliferated by Shawqi's influence, namely Sinru, Kahk, al-Alawiyah, and al-Rawashidiyah, as well as the town of Ibshaway, which abound with orchards and farms that make it easy for them to move and hide away from any observation—believed that daytime is the time for quiet and nighttime the time for activity. Shawqi was careful to drop in on his followers every night in a procession befitting a terrorist leader like him. He traveled in his red Fiat-1300 which became very well known in Ibshaway and which carried al-Fayyum license plate number: 3244-private. He drove the car personally and had an armed man sitting on his right and two men in the back seat, with two men in front of the car and two behind. He knew how to secure his routes before traveling on them. Because motorcycles are the preferred means in Ibshaway and the neighboring villages, his followers rode them constantly, traveling the route Shawqi was to follow a short time before he did. If a follower noticed the presence of a police ambush, he would move on until he met another motorcycle rider. The latter would be given the signal to go and alert the "leader" so that the first motorcyclist may not turn back and arouse the policemen's suspicions.

Shawqi was also careful to send the sons of the organization members, or the young members, to meeting places so that they may gather for him what people said about him or about any of life's affairs.

Shawqi's ideas and his new organization attracted various types of youth aged 18-25 years. Some of them were students or graduates and some workers, craftsmen, or farmers.

He was able to find a place for himself in Ibshaway and al-Fayyum area which is an arena where numerous religious groups have come into existence and where radical groups have found fertile soil. In this area, one finds al-Salafiyun [traditionalists] Group which is the least inclined toward violence and is headed here by 'Umar 'Abd-al-Salam; the Jihad Organization whose amir, Shaykh 'Umar 'Abd-al-Rahman, lives in the area; and the Desist and Discover [al-tawaqquf wa al-tabayyun] Group that is led by Mustafa Bakri who is an instructor at the religious institute in Ibshaway. Initially, these groups' ideas concurred with those of Shawqi's ideas. But it did not take them long to move away from him.

#### Woe Be to Those Who Swerve From Their Law

Colonel Faruq Muhamna Sabbaq, the Ibshaway Administrative District commissioner, has said that Shawqi was naturally inclined toward violence and that this was his problem not only with the security authorities but also with members of the other groups, even with his own organization members who disagreed with him and broke away from him and with ordinary people who disobeyed him.

Colonel Sabbaq added: Lest our words be hollow, there are numerous incidents that confirm what we say:

Brothers 'Abd-al-Azim and Bakri 'Ali Jaballah complained to us that some followers of Shawqi al-Shaykh—this is the name by which he was known—had urged them to follow their organization's teachings by growing their beards, wearing the white *jilbab*, praying with them, and attending the shaykh's lessons. When the two brothers refused, they were subjected to threats. Sometime later, Ahmad Wa'ir Muhammad and Wali Ahmad Nasr, two of Shawqi's followers, were apprehended while burning and destroying the two brothers' crop. They were cited in report No. 1631.

In temporary administrative citation No. 1011, written in Ibshaway in 1990, Muhammad Junaydi, an agricultural engineer, accused Sayyid Ibrahim Muhammad 'Abd-al-Majid, Rashad Mahmud Ramadan, and 'Abd-al-'Alim al-Sayyid Ibrahim of trying to burn his tractor which was saved only because Junaydi and his neighbors rushed to extinguish the fire. Junaydi said that the three men are followers of Shawqi al-Shaykh and that they perpetrated their act after he had refused to obey their advice and teachings.

Major Mustafa 'Atwah, the Ibshaway intelligence chief, has said:

A Koran singer reported that he had been beaten mercilessly and taken to Ibshaway Hospital as a consequence. He said that he had been invited to sing at a night ceremony at a house in Sinru village across from

Shawqi's mosque and that he was not aware the sound of the microphone annoyed Shawqi. After the ceremony, he headed home on his motorcycle. On the way, Shawqi's followers ambushed him, caused him to fall off his motorcycle, and then beat him mercilessly.

Because the radical leader wanted, of course, the dawn and sunset prayers broadcast only from his mosque and refused to let them be broadcast from Sinru's other mosques, he instructed his organization members to steal the other mosques' microphones. Sayid Ramadan 'Abd-al-Salam was actually apprehended while stealing the microphone of 'Izbat al-Hakamdar mosque which is within Sinru's jurisdiction. What is interesting is that when the man was apprehended, it was discovered that his motorcycle was also stolen.

First Lieutenant Mustafa Rashid, the Ibshaway intelligence assistant chief, has said:

When 'Abd-al-Mun'im Sa'dawi, the mayor of al-'Alawiyah village which is within the jurisdiction of Ibshaway Administrative District, tried to confront Shawqi, the latter decided to avenge himself in an unforgettable manner. He took the opportunity of the mayor's departure from the village to take care of some business and stormed his home where the mayor's wife was staying. Meanwhile, Shawqi's men were firing their weapons outside the home for intimidation. They severed the home's telephone cables so that no report may be made to the district office and then blocked off the road leading to the village. Upon the mayor's return, they fired their weapons in the air to scare him and force him to spend the night outside the village, which the mayor was actually compelled to do.

#### **It Is Permissible To Assassinate 'Umar 'Abd-al-Rahman**

The leader of the New Jihad Organization continued to challenge and to accuse Shaykh 'Umar 'Abd-al-Rahman, the amir of the old Jihad Organization. Some people tried to reconcile the two men. They did actually meet in Sinru village a year ago. A sharp argument ensued and culminated with Shawqi accusing Shaykh 'Umar of being an infidel. The latter departed to say that Shawqi is mad and must be admitted to the insane asylum. Another endeavor was made to reconcile them but Shawqi remained obstinate and demanded as a condition that Shaykh 'Umar 'Abd-al-Rahman go to him at his mosque alone and without any of his followers. When 'Umar 'Abd-al-Rahman refused, Shawqi issued the religious opinion that 'Umar's blood is fair game and that it is permissible to kill him. Shawqi did actually succeed in preventing Shaykh 'Umar from entering Ibshaway as of that time.

Shawqi was supposed to marry a woman from al-'Alawiyah village, Ibshaway District, last Friday. The story of the marriage that did not take place, considering that Shawqi was killed 24 hours before it was consummated, is not void of novelty or of tragedy.

The woman Shawqi was planning to marry is the widow of a fellow called 'Arafah Husayn. She lives in al-'Alawiyah village and has two sons, Murad and Muhammad, both of whom are New Jihad Organization members who were very close to Shawqi's heart. This is why he was always careful to keep them constantly armed. Upon their father's death, Shawqi issued the religious opinion that his money was illicit and that the two young men were forbidden to live off it. This was a major problem because upon his death, the father had left a lot of money and land. So the two youngmen asked him for a solution. His answer was that the only solution was for him to marry their mother and have the property revert to him, and thus become licit property. Initially, the mother opposed the marriage and tried to convince her family to reject it. But her two sons' pressure was greater and her family's fear of Shawqi's wrath also helped settle the issue. So the marriage was scheduled to take place on the second day of al-Fitr holiday. But Shawqi's fast end precluded the consummation of this marriage.

#### **Radical Leader's End**

On Tuesday night two weeks ago—the night of 28 Ramadan, which is the night when Egypt experienced a power outage after 2000—Shawqi and some of his organization members proceeded to carry out a mission aimed at disciplining some members of 'Izbat [hamlet] 'Allam because of disagreement between the two sides. Shawqi's followers did actually attack three homes in the hamlet. While Shawqi was on the road known there by the name of Zayd Road, which is located four km from Sinru village, he spotted Mujahid Abu-al-Ghayt, a regular sentry, carrying his automatic rifle, who is entrusted with guarding the 'Izbat Mushaymish road. Shawqi decided to seize the rifle and he, along with some of his men, pounced on the sentry, but the latter fought hard even though he was taking a severe beating. Finally, Shawqi shot him dead with a bullet that penetrated his liver. Shawqi then left the scene quickly, thinking that the darkness covered his crime. But a lady from a house near the scene of the crime challenged fear and testified before the security men. She said that after the power outage, she saw Shawqi's red car drive by her and that after the car traveled a short distance, she heard bullet fire and that when she came out to see what was happening, she saw the red car coming back fast.

At this point, the police decided to arrest Shawqi and to confront him with the outcome of the investigations. Information was received to the effect that Shawqi and his men were at the Sinru village mosque. A police force proceeded to besiege and arrest him. But when the policemen approached his headquarters, Shawqi and his men opened fire on them. An exchange of fire ensued and Shawqi fell dead as a consequence.

Sinru village, Shawqi's birthplace, received the news of Shawqi's death with such joy that it fired its weapons in the air to celebrate the occasion.

With the terrorist leader's fall, fear prevailed among some of the organization leaders and two of the radicals' leaders there decided to surrender. The first is Muhammad Yusuf Kahk, the nephew of the mayor of Kahk which is one of the villages where Shawqi spread his influence. Kahk is one of the organization's influential leaders and he hosted Shawqi whenever the latter visited his village. The second is Rashid Sinhabi, a leader of the Desist and Discover Organization which is headed by the escaped Mustafa al-Bakri.

### Government Job Programs for Graduates Found Failing

90AA0105A Cairo AL-AKHBAR in Arabic 4 Apr 90 p 3

[Article by 'Ala' Abd-al-Hadi, Dina Abd-al-Fattah, and Sharif Khafaji]

[Text] Youth programs...ink on paper. And the solution?

We have surveyed the concerns of youths, experienced their worst pain, and shared their dreams.

We have attempted to understand the facts regarding the programs for youths announced by different agencies.

Unfortunately, we found them to be illusion itself. In this series, we will attempt to knock on the door of a solution—a way out, a way to make "talk" a reality. This article contains prescriptions formulated by experts. We direct these prescriptions to every official in Egypt who is concerned with the future of our youth.

### Slogans Will Not Solve the Unemployment Problem

The slogan of small programs for youths was an outgrowth of the government's concern with the increasing number of graduates of universities and institutes, estimated in the millions, who wind up on the unemployment line, headed for violence and addiction, after the state has spent millions on their education.

According to Dr. Husam Mandur, a representative of the industrial planning administration at the National Planning Institute, these small programs have not been implemented.

The problem, Dr. Mandur believes, is that the government issued its slogan without studying many basic questions, such as: Would the type of youths undertaking these programs be specified? Would they be skilled in a specific vocation? Would they have experience in production and marketing?

Dr. Mandur also believes that the problem is not in formally transforming youths into business owners, thereby wasting the state's precious resources, but rather in finding work for youths.

Dr. Mandur states that the scheme to distribute land to some youths for reclamation was a devastating failure that produced the opposite of the intended results. In other words, it caused participants to become frustrated,

because how could they achieve results with several feddans when they were not also provided with public utilities or capital?

Slogans alone will not solve the problem. These industries can solve a modest part of the problem if they are implemented soundly. An optimistic estimate of the number of youths we could employ in these programs would be 2,000 to 3,000

### Inexperience

Dr. Mandur adds a new dimension. Most of the youths who are university graduates lack experience. After finishing their studies, they sit at home for years, which makes them unsuitable for any job. This situation requires the Labor Ministry, in agreement with the public and private sectors, to provide training opportunities to youths, even if for a nominal fee, instead of the year of false public service. Such opportunities are provided in a country like the Netherlands, where graduates are allowed to train in factories and companies free of charge, so that they can obtain a certificate of experience. It is thus necessary to rethink the idea of the industrial apprenticeship.

Dr. Mandur believes that the private sector can play an important role in solving the unemployment problem in exchange for exemptions and certain facilities that the state can provide to it. Under such a plan, the private sector could share in employing a certain percentage of youths in exchange for being granted a commensurate percentage of tax exemptions, taking into account the creation of a more flexible formula regarding the terms of insurance and those of the Labor Ministry, because these terms represent an impediment.

Dr. Mandur indicates that many agencies have become involved in small programs for youths even though this area does not fall within their purviews. He cited the Scientific Research Ministry, which engages in benefit analyses of rabbit and fowl projects, even though its basic role is to conduct large-scale scientific research to solve production problems.

Dr. Mandur also rejects the idea of establishing an agency that would be responsible for implementing these programs, stating that existing agencies are adequate.

### Many Means

Dr. Muhyi-al-Din al-Gharib, the deputy chief of the Investment Organization, believes that small industrial projects for youths must not be the sole means of solving the unemployment problem. Such projects are merely one of a number of means. These projects can create employment opportunities for a limited number of youths, but they are unable to absorb the millions of unemployed.

Dr. Gharib suggests employing youths in large factories that require large labor forces, such as ready-made clothing factories, especially since the country is in need of such industries.

He states that this can be done side by side with small industrial projects, which help to create small organizers. There are a limited number of such organizers among the youth; they begin of their own accord in a vocation or a trade and expand in it.

Dr. Gharib emphasizes that the private sector can play a large role in establishing industrial complexes of small industries by putting into operation and monitoring investment projects. The state could lay the ground at nominal rates for the private sector in order that the private sector lease them to youths, or small factories at rates that are agreed upon according to each project's specifications. Machinery could also be included in this scheme. The ownership of such machinery could be transferred to the youths following their payment of its full value.

#### Waste of Resources

In agreement with Dr. Husam Mandur, Dr. Gharib believes that providing youth with five or ten arid feddans without any facilities or working capital is nothing but a waste of the country's resources.

He recommends establishing share companies that would enter into partnerships with youths. These companies would provide a small portion of their capital to youths to enable them in the future to own areas of these lands after the costs of the land have been paid.

Dr. al-Gharib adds that tourist villages are a fertile field for absorbing thousands of youths in all specialties, since it is possible to expand parallel projects to service, and provide for the needs of, these villages.

#### I Hope!

Dr. 'Abd-al-Ahad Jamal-al-Din, the head of the Higher Youth and Sports Council, suggests that the state task the council with reclaiming and utilizing desert areas for creating an integrated collective in which youths would settle. Such a collective would engage in all relevant operations except distribution operations.

He adds that it is possible to establish companies to aid the youths to whom the land would be distributed. Such companies would provide assistance regarding land utilization operations, marketing, and light manufacturing. The council has no objection to establishing such companies, provided that it would own half of their shares, while the other half would be owned by the youths benefiting from the assistance. If the latter succeed, the council would hand over its shares to the youths, and the experiment would be repeated.

We asked Dr. 'Abd-al-Ahad about obstacles to the implementation of such nice dreams. He stated: Nothing! I call for the establishment of a small committee composed of

representatives of the different ministries concerned with public utilities and representatives of the council. He suggests that this committee be under the supervision of Dr. Yusuf Wali.

Dr. 'Abd-al-Ahad states that financing youth projects is a simple obstacle that can be overcome. Two million Egyptian pounds is enough to establish a company. However, the banks must participate. He adds: I am not among those who call for the establishment of a bank for youth. The issue is not one of names. Officials in the banks must understand this when they say that youths refuse to deal with them. These officials must first examine why youths avoid them, which is their right. How can youths accept them when they are demanding interest that is sometimes set at 20 percent!

Dr. 'Abd-al-Ahad asks: Why do they not provide these funds when we are a legitimate agency. I have shown my willingness to do anything through my position in the interest of youths and to serve them. I am their advocate!

#### Two Groups of Loan Providers

Dr. Raja' 'Abd-al-Rasul, the chairman of the Egyptian Village Development and Construction Agency, states that the problem is not only providing youths with capital. The provision of financing to youths who lack experience will not solve the problem. It might even make it more complicated.

Dr. Raja' divides agencies that announced the provision of loans to youths into two groups. The first deals with the problem in a purely traditional banking manner that involves a loan with regular interest that is made conditional on a group of guarantees and the repayment of the loan. Such an arrangement of course does not help solve the problem, because meeting the requirements of such a loan obviates the need to borrow, and the funds are ultimately frozen without being used.

The second group comprises agencies that are disinclined to deal with the problem, such as the Scientific Research Ministry and the Youth and Sports Ministry. The announcement by these ministries of the provision of loans to youths is a perplexing development, inasmuch as financing has rules and requires complex accounting operations, project monitoring, etc.

These ministries are not technical agencies or financing agencies that are prepared to undertake this role!

A significant aspect of the problem, states Dr. Raja', is the need to select the programs in which youths will work. It is inconceivable to ask a university graduate to raise rabbits on the roof of his house or to raise fish, as this would produce frustration on the part of such youths.

This does not prevent youths from working in these fields, but they should do so in a larger framework and in more broadly organized manner, not as we see now!

### Development Loans

Dr. Raja' states that we must formulate a more comprehensive prescription to solve the problem. The overall problem must be addressed with comprehensive solutions. Unemployment is not the basis of the problem. Rather, it is a cross section of Egypt's economic problem. In addition, calling on youths to work in industrial complexes will be to no avail, because it will transform youths into employees. The call must be from the youths themselves. For its part, the state must provide facilities.

Dr. Raja' also questions the reason for assigning an important role to the private sector when, at this very time, we are discussing both the public and the private sector.

Dr. Raja' sees the solution in the creation of development loan agencies. Banking solutions alone will not solve the problem, because profit and loss are not a primary consideration in development loans. Social, financial, and economic criteria must also be taken into account.

Dr. Raja' calls on parties wishing to help youth and having, for example, 1 million Egyptian pounds, to give these funds to the fund of the Egyptian Village Development and Construction agencies, which have gained experience over the past 10 years, so that the money can be used to finance youth projects. These agencies can establish conditions which they deem appropriate to guarantee the proper use of these loans.

### Lack of Coordination

Dr. Midhat al-Aqqad, a small industries advisor at the Industrial Development Bank, states that the problem is the multiplicity of agencies that supervise small industries and the lack of coordination between the administrative apparatuses of these agencies. Thus, there is more than one agency that raises loans for small projects. As a result, these agencies disburse loans in fields other than those for which the loans were designated.

Also, the state has not adopted a scientific method for encouraging small industries, such as tax exemptions and insurance facilitation.

Muhammad Sa'id Husayn, the legal advisor at the Industrial Development Bank believes that the time has come to draft a small industries draft law that would regulate these industries and determine the facilities that could be offered to them. He also stated that the regional universities and international grant-giving organizations can play an effective role regarding this problem.

### No Map Exists

In a seminar on the role of small industries in development, which was organized by the Planning Institute late last year in cooperation with the Farid Rish Ibarith Institute, former planning minister Dr. Ibrahim Hilmi 'Abd-al-Rahman attributed the beginning of concern with small industries to anxiety over the spread of

unemployment and its social and political effect. This concern was given a boost by the fact that 3 million were unemployed, but the solution has nonetheless been directed toward only one component of small industries, namely, industrial complexes, which have yet to succeed because of the many difficulties faced by the state due to the lack of a sound small industries policy in Egypt.

Majid Salah-al-Din, an expert at the National Planning Institute, emphasizes that the idea of small projects designated for youths can only be implemented by individual governorates that carry out small projects compatible with their respective environments. This will not occur unless the governorates determine the number of graduates in their populations each year before distributing small-project opportunities to them individually or collectively in the framework of each governorate's comprehensive plan. Some youths could also be sent to new governorates where the labor market still needs manpower.

After this prescription presented by experts, the malady has been diagnosed, and more than one remedy has been determined. We have only to find someone to implement them!

### Kahk Residents React to Recent Violence, More Expected

90AA0153A Cairo AKHIR SA'AH  
in Arabic 9 May 90 pp 50-51

[Article by Sayid 'Abd-al-Qadir: "What Happened in Kahk Village; Tragedy of Father Killed by Radical Sons; Radicals Disconnected Mayor's Telephone and Erected Barricades at Village Entrance; What Did 'Umar 'Abd-al-Rahman Say After Shawqi's Death and Why Did He Go to Sudan"]

[Excerpts] [Passage omitted] There are two villages that carry the name of Kahk: Kahk al-Bahriyah, the scene of the bloody incidents, and Kahk al-Qibliyah. According to 'Abd-al-Qadir Ahmad Kahk, the mayor of Kahk al-Bahriyah, both villages were founded long years ago by two brothers: 'Abd-al-'Al Kahk (the mayor's grandfather) who founded Kahk al-Bahriyah and 'Ali Kahk who founded Kahk al-Qibliyah. The two adjacent villages have a population of nearly 25,000 people, some of them from the Kahk family and some from other families. The inhabitants of both villages are either farmers or fishermen or combine both professions. Some work as fishermen and own small tracts of land which they cultivate.

The security agencies, the mayor, and the village residents assert that the number of the radical groups' members does not exceed 200 members who range from prominent armed members to followers who engage in no radical activity and that they are concentrated in al-Bahriyah part of the village where they have three private mosques which they do not allow anybody other than their followers to enter. They also refrain from entering the other village mosques. [passage omitted]

Security men acknowledge that what has happened in Kahk was impossible to avoid because the radicals acted without any logical calculations. Even in using their weapons, they acted as if they had an inexhaustible supply of ammunition, which is contrary to the fact. The police forces, amassed around the village in large numbers, fired only one round for every four rounds fired by the radicals. Moreover, the police forces intervened only after they had made repeated appeals to which the radicals failed to respond. It was impossible to remain silent on what the radicals had done, especially since they had isolated the village by cutting telephone cables and erecting barricades at its entrances. A high-ranking security official at the [interior] ministry who was observing the events from a distance of few meters from Kahk village has said: "The radicals did actually occupy the village for a full hour. It was impossible for us to remain silent on such an act."

#### Kahk Residents Speak

But how have the residents of Kahk village received these developments and what do they say about these groups? How do they explain their great satisfaction with the death of 14 radicals and the escape of the others?

Engineer Ahmad 'Abd-al-Qadir Kahk, a village native and maintenance manager at the Sina Manganese Company, has said: These groups' members dealt with all of us as if we were all wrong and only they were right. Therefore, we were the infidel and they the faithful. This is why they permitted themselves strange things, such as stealing sheep and goats belonging to some village residents, using the verse that says "Of their goods take alms" as an argument and interpreting this verse as they wish.

Ma'yuf Hasan Husayn, a butcher in Kahk village, has said: I am the nephew of 'Ali 'Ali Hasan Dakhil who was killed by his son. I cannot believe what has happened and no religion condones it. What did my uncle do to be killed by his son? They have tired us and tired themselves. We used to see Shawqi, their leader, traveling around in a procession surrounded by his armed followers and we could do nothing. They were people different from the village's other residents. They even purchased their meat from special butchers who had to be "bearded" and "committed," as the radicals used to say. As for us, everything about us is impermissible: Our food is impermissible and our life is impermissible!

Another person who has asked us not to reveal his name recounted how the radicals stole microphones from the village mosques and installed them in their mosques and how they burned down the tombs of Shaykh Sallumah and Shaykh al-Sinhabi because tombs are impermissible.

This person added: They even said that our graves are illegal because they are built above ground. They buried their dead in special graves near their place of residence in Bahri al-Balad.

Muhammad 'Abd-al-Tawwab al-Rubi has said: You ask us why we are "relieved" and why we have received the event calmly. This is because what they did "angered us." We used to hear these strange religious opinions that do not befit our creed or our environment and we got annoyed. Who says that what they allowed in their marriage is permissible? How is it permissible for a married woman to live as a wife with her brother in law or with any organization member if her husband is absent? Is this permissible?

#### Kahk Is Still Hot

Even though several days have passed since the events and even though radicals have disappeared from the village, any visitor to the village notices the obvious tension in the small village and in the other villages leading to it. The eyes continue to examine with concern any new face entering the village. Police forces are still deployed around the mayor's office in Kahk al-Bahriyah where the prosecution continues to conduct its investigations. The police forces continue to carry their weapons while on duty and this confirms that they think it likely that the radicals may perpetrate any new act.

Brigadier General Muhammad Fahmi 'Azab, a criminal investigations inspector at the Interior Ministry, has said: All possibilities are likely because we make our calculations with normal logic and with reason and because all their reactions confirm that they have a special logic that is detached from the rational, as proven by the fact that they refused to surrender to the police quietly. Their confronting the police forces in this manner is a suicidal act which we had not expected and which we had not wanted to happen. But it seems that their logic is also "radical." This is why we have to be prepared.

Brigadier General Isma'il Muhammad Isma'il, the Ibshaway intelligence inspector, has said: The problem has not ended because radical heads continue to be present, especially since the leaderships of Shawqi's organization are still at large. We are looking for them and we have gathered information on the places where they are likely to hide. We are constantly checking this information to make sure that it is correct.

Lieutenant Colonel Sayyid Mushrif, chief of al-Shawashinah police station within whose jurisdiction Kahk village falls, has said: By the end of the bloody incidents, the situation was as follows: 15 radicals died and 10 radicals were handed over by their families. Thus, the number of wanted radicals is 25. I don't believe that we can say that normalcy is restored before those wanted are arrested or before they turn themselves in quietly. All the area residents and all the officials hope that calm will be restored quickly.

#### Will New Confrontation Occur?

Major General Muhammad Mahran, al-Fayyum security director, has said: I can assert that calm has been restored to al-Fayyum after two hot weeks in which we

witnessed the Sinnuris events, the proliferation of sectarian sedition, and then the Ibshaway and Kahlk village incidents which are connected with the Jihad Organization. There is no connection between the two events. The Sinnuris incidents were demagogic incidents caused by a false rumor which some youth exploited. The events ended with those youth brought under control. The Ibshaway incidents, violent as they have been, have brought the people relief because the area residents, especially the Kahlk village residents, had endured a lot on the hands of the radical members of the New Jihad Organization during the period preceding the incidents. Those members reviled and attacked the village inhabitants. They refused to enter the village mosques or to let the village inhabitants enter their private mosques. Ultimately, they lost all possibility of sympathy when some radicals killed their father in broad daylight.

Ultimately, the incidents resulted in the death of 16 radicals, three residents, Kamal Mukhaymir, a policeman's aide and the guard of Sinnuris Church, the sentry whom Shawqi al-Shaykh, the New Jihad Organization amir, killed while robbing him of his rifle, and 'Ali Dakhil who was killed by his sons.

[AKHIR SA'AH] It is said that after Kahlk village was attacked, nearly 20 radicals escaped. Most of them, according to the Kahlk mayor, are active elements that are well known for their violence. Does this mean that it is likely that other incidents will occur in the same village soon?

[Mahran] Yes, some elements managed to escape. The greater likelihood is that they managed to get out of al-Fayy whole Governorate. Some of them are, in fact, extremely dangerous. But what is reassuring is that they are well-known elements that are kept under surveillance and control. Our surveillance did not terminate with the end of the incidents but has continued. Should these elements think of reviving their activity, it will not be difficult to foil them.

Maj Gen Muhammad Mahran added: Judging by my police sense, I believe that, God willing, no similar incidents will occur for a long time. But after a while, they will try to revive their activity if they feel that the police's arm is far from them and cannot reach them or that the surveillance imposed on them is not up to the desired level. I stress that we will never give them this feeling.

[AKHIR SA'AH] We have learned that Shaykh 'Umar 'Abd-al-Rahman, the amir of the old Jihad Organization, departed the country after the death of Shawqi al-Shaykh, the amir of the New Jihad Organization. Did the shaykh want to prove that he had nothing to do with what has happened, or is his trip tantamount to celebrating the death of the man who had proclaimed the shaykh to be an infidel and who prevented him from entering Ibshaway and its villages?

[Mahran] To our knowledge, 'Umar 'Abd-al-Rahman lives in al-Hadaqah Quarter of al-Fayy whole. All his movements are under security surveillance and control. The Jihad Organization's activity has diminished greatly, especially in the wake of the confrontation we had with them in Ramadan two years ago in al-Shuhada' village in al-Fayy whole. The confrontation ended up with our citing a number of them, including 'Umar 'Abd-al-Rahman, for resisting the authorities. They were imprisoned for a time and their case is still being considered by the courts. [passage omitted]

#### Editorial Notes Public Politicization Underestimated

90AA0052B Cairo AL-JUMHURIYAH  
in Arabic 2 Apr 90 p 5

[Commentary by Muhammad al-Hayawan]

[Text] On many occasions the Egyptian people are shown a need. When the government conducts a birth control campaign it calls on the Egyptian people; a campaign against addiction, it appeals to the Egyptian people; and a campaign against extremism, it asks the Egyptian people to intervene. But when there was talk of elections they said that the Egyptian people are still ignorant.

They talk a lot about the silent majority, about 90 percent of the people, so they say, who are not interested in the political process or parties, who do not hold one opinion or another, and who watch but do not participate. A lot has been said on this subject, even though it is not true.

The fact of the matter is that man by nature is a political animal, and a morsel of bread is fully tied to political thought. Can a person standing in the association queue forget the minister of supply? Can an unemployed university graduate not think about the prime minister? Can a father who finds food for himself and his dependents through charity forget the government? And can one who has been burned by corruption not think about the People's Assembly? All circumstances force the citizen to think about politics.

But if a citizen thinks about working in politics, he is given no opportunity, for political action is forbidden in the university, even though the university ought to be training for democracy. It is forbidden in places of production, even though the workers are half the nation. If we forbid the discussions within the factory, then we should permit them in the company clubs. There are restrictions on political action by the opposition; moreover the conferences of the National Party cost the government a lot, because they are all at government expense...via austerity! I said conferences of the National Party, and they are political action of the first degree, because they give every citizen the opportunity for free debate.

The important and basic political action which the citizen can practice is the free election, but there are

circumstances, pressures, and hardships which prevent that, so the citizen quits exercising that right, in view of the fact the results were a foregone conclusion. Therefore the citizen withdrew from political action, even though he thinks about politics at every moment.

There are thinkers who are against the Egyptian people working in politics, and they charge that the Egyptian people are not worthy of it, even though these people were magnificent with respect to all worthy positions, without the government asking, and without a campaign. We only have to mention the people's position in the October War, and in the Central Security crisis, and how this people behaved with complete awareness and understanding and wonderful national feeling. The people were supposed to be completely free after their position on the Central Security events, but that would mean the end of the association of beneficiaries and the rest of the socialist union.

## IRAQ

### Israeli Journalists Profile Saddam Husayn

#### Husayn, 'Abd-al-Nasir Compared

90AE0023A Tel Aviv MA'ARIV in Hebrew 6 Apr 90 p 3

[Article by 'Amos Gilbo'a]

[Text] "We see his face, but what is in his heart?" asks one of the heroes of Shakespeare's Richard the Third. Who would pretend to fathom the thoughts of Saddam Husayn, the ruler of Iraq? All that we have to go by is to listen to what he says, look at what he does and see what he holds in his hands.

When Saddam Husayn was 14, so say his court scribes, he killed a robber with his own hands and sent his accomplices fleeing. That was his first murder, and at the time he had lost his father and was in the custody of his uncle who had married his mother. He spent his youth as a murderer in the service of the underground Ba'th Party. He was put in jail and finally escaped to 'Abd-al-Nasir's Egypt. There, by the way, he ran into a young lad by the name of Faysal al-Husayni. Saddam looked up to 'Abd-al-Nasir, in his days of glory, when the Egyptian army used mustard gas in Yemen.

When Saddam Husayn, today 53, sits like a sultan in his palace and threatens in the vernacular that the fate of anyone who plots against Iraq will be like that of the wasp whose head and tail were cut off and the rest of whose body was left to twitch convulsively—he reminds me of the period of the fuming 'Abd-al-Nasir, when threats "to throw Israel into the sea" were a daily occurrence.

'Abd-al-Nasir had a glorious vision of a united Arab world. He also spoke in the vernacular; he also cursed and fumed; he, too, threatened the United States and England. But 'Abd-al-Nasir was no murderer. Murder

was not part of his personality and not a consistent means of annihilating his opponents and maintaining his rule. Saddam, from the moment he came to power (in practice in 1968 and formally, in 1979), never ceased to minimize periods of calm and quiet, to eliminate real or imagined rivals, near and far, in Baghdad or outside it.

'Abd-al-Nasir, with all his pretensions, did not see himself as the heroic successor of the pharaohs. Saddam sees himself as the successor of Sennacherib and Nebuchadnezzar. Like the Abbasid caliphs, who ruled in Iraq, he adds to his many functions (president of the Iraqi Republic, president of the supervisory council of the revolution, secretary of the Ba'th Party, supreme commander of the armed forces and prime minister) the title: "the new sun above the two rivers."

'Abd-al-Nasir did not rule through his family. Saddam Husayn rules in Iraq through his relatives, members of the Tikriti family, from the area of Tikrit, northwest of Baghdad. All the apparatus of state, especially the intelligence and security bodies, are headed by Tikritis. In Saudi Arabia the country is ruled by about 3,000 princes; in Syria, by a military elite belonging to the Alawite minority; and in Iraq, by a family.

'Abd-al-Nasir was defeated by Israel and cancer finished him. Saddam Husayn led his country in war for eight years, the longest conventional war of the 20th century, against 40 million (to Iraq's 17 million) Persians, insane religious fanatics.

It is no wonder that al-Asad, who stuck a knife in his back during the war, and who apparently knows that the "butcher of Baghdad" swore to get a pound of flesh from his head, is afraid of Saddam. Is it also any wonder that even Mubarak, who in fact helped Saddam in the war against the Persians, is a bit fearful of him? Or that King Husayn, dispirited and melancholic, rushed to pay Saddam protection money in the form of close military cooperation, in exchange for Tikriti military defense of the Hashemite regime?

They say, and it may be merely gossip or maybe not, that in the meeting last February in Amman between Mubarak, King Husayn, Saddam Husayn, and the president of North Yemen, Saddam strongly demanded that the Gulf States and Saudi Arabia give him, or perhaps lend him, \$30 billion. The power to do so, of course, was not in the hands of those who had gathered, so they were asked to agree to Saddam's demand that the four countries enter a military alliance, among other things, to "liberate Palestine." Mubarak demurred and Saddam Husayn returned to Baghdad empty-handed. You may therefore ask why Mubarak bothers, from time to time, to tell the leaders he talks to, like Shim'on Peres, for example, that Saddam Husayn wants peace and that he has changed his positions toward Israel. God only knows!

Like every megalomaniac dictator, Saddam Husayn, too, apparently suffers from paranoia. He sees himself a target of the forces of evil and Iraq as a target for the

plots of evildoers. Who are those wicked, if not Israel, imperialism, and everyone that Saddam suspects. At times they are the members of his family, officers in his army or even those of his people who want fewer corpses and less economic belt tightening.

Did all of these play a role when he threatened Israel and all Iraq's enemies this week? Was it fear of an Israeli action or fear of his war hero officers or perhaps fear of problems at home? But this is only part of the personality and methods of the ruler of Iraq, which are the total antithesis of the "spirit of the time" that is now blowing in East Europe.

His limitless ambitions include:

- Putting Iraq in the world's top ranks in military and technological muscle;
- Being leader of the world's "poor" countries, which make do at this stage with chemical weapons as a counterbalance to the nuclear weapons in the hands of the rich countries;
- Being leader of the fertile crescent in the West and the Persian Gulf in the East. The precondition for that: the end, by treaty, of the confrontation with post-Khomeyni Iran;
- Replacing Egypt's doctrine of peace negotiations with Israel with a doctrine of force and deterrence. In the first stage of this, to reduce Israel's strategic freedom of action in the area.

#### Husayn, Nebuchadnezzar Compared

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in Hebrew 13 Apr 90 pp 12, 14, 16

[Article by Shafi Gaba'i]

[Text] Saddam Husayn, the ruler of Iraq, loves to remind his people that the Iraqis are both the descendants of the Babylonians, the sons of Nebuchadnezzar the Great, and also the offspring of the Abbasids, who founded an extensive Middle Eastern empire that included Palestine. The man who sees himself as the successor to Nebuchadnezzar and Harun al-Rashid and is known in the West as the "Butcher of Baghdad," rules his country by methods reminiscent of the Mafia, with fear being his main support. Despite dozens of failed attempts on his life, experts believe that the "Saddam Husayn Mafia," will survive for the next several years.

The excited throngs who crowded into the restored ruins of ancient Babylon one night in September 1989 to watch the victory parade saw dozens of gilded carriages, each harnessed to eight horses, entering through the main gate in the wall, the Ishtar gate. In the center carriage sat the president of Iraq, Saddam Husayn, composed and arrogant, as is his wont. Searchlights accompanied him with blinding pencils of light up to the gigantic stage at the foot of the hanging gardens and the half-destroyed Tower of Babel.

Two religious priests assisted the "new sun on the Tigris and Euphrates" up onto the stage and seated him on a plush easy chair and, to the sounds of a trumpet fanfare, crowned him "Nebuchadnezzar II," the man who finally was victorious over the "wild Khomeyni Persians."

Saddam Husayn, who didn't even bother to get up from his chair for that, thanked the crowds and said that the honor now bestowed upon him was a symbol of the stubbornness of the Iraqi people that finally finished the Persians, of the few against the many, 17 million against 57 million. "It is not for nothing that I deserve the holy name of the greatest military leader in Iraq's history. We must not forget that we are all the descendants of the Babylonians, the children of Nebuchadnezzar, the liberator of Palestine."

Many people are now aware of the fact that the great military leader Nebuchadnezzar II, i.e., Saddam Husayn, never served in the army, even though ever since his rise to power he generally appears in public in a Field Marshall's uniform. He was born 53 years ago in the poor village of al-Auja in the district of the town of Tikrit, about 50 km north of Baghdad. He had a difficult childhood because of family problems, but in all the 131 books written about him thus far in Iraq, which were published privately by the presidential palace, there is no mention of his early years apart from a few stories that he was an excellent horseman, which made the villagers envious. The ghost writers hint that it was life's hardships that forged his personality. His father died when he was a small boy, and his mother married his brother, Saddam's uncle, who treated him harshly.

Some Iraqi emigrants living in Israel who knew Saddam Husayn claim that when the Tikritis came to Baghdad, they set up a gang of thugs who instilled fear in the populace, a gang of wild men who got money through bribery and intimidation. At the head of the gang was Saddam Husayn, who sometimes turned student to learn to read and write. The gang turned its attention to the underground cells of the Ba'th Party, and penetrated it to the point of taking control. Saddam Husayn adopted its principles—the unity of the entire Arab nation and its conversion to a single socialist entity.

The first act to bring him to the top was his participation, in 1959, under the auspices of the Ba'th, in an armed attack on the convoy of President 'Abd-al-Karim Qasim, on the main street of Baghdad. Saddam quickly slipped away and managed to escape to Syria and from there to Egypt. Five years later he returned to Iraq, was arrested and thrown into prison, and escaped and hid with the Tikritis in the underground Ba'th cells. After participating in the overthrow of President 'Abd-al-Salam 'Arif, who had eliminated his predecessor a few months earlier, Saddam believed his way to power was assured; but the president chosen by the party central committee was Ahmad Hasan al-Bakr, who assigned Husayn the task at which he never blanched, of physically eliminating the opposition forces, the Communists, the Kurds, and the Jews.

In July 1979 Saddam Husayn achieved his dream of becoming the all-powerful ruler of his country after deposing the old President al-Bakr, who was a relative of the family. Syria did not take kindly to the rise of the hoodlum and encouraged various elements within Iraq to do away with him, but without success. To this day the Iraqi president has not forgiven the regime of the sister party in Syria. Since then he has surrounded himself exclusively with Tikritis, and from them are drawn most of the top officials in the civilian and military establishments. He explained those steps as follows: "There are always those who try to undermine the government as I myself did. Why should I bring those who are considered capable of running the state for me?"

His wife Sajidah is his first cousin. His step-brother Barzan and his first cousin on his father's side, 'Ali Hasan Majid, run the army and intelligence. His oldest son 'Udayy is married to the daughter of the deputy chairman of the revolutionary council 'Izzat Ibrahim al-Durri. His second son Qusayy is married to the daughter of the late General Mahir 'Abd-al-Rashid, who was eliminated in a "helicopter accident." The daughter Ra'idah is married to the minister of the sensitive Military Industries, Husayn Kamil. Other Tikritis serve as ministers and as the most senior officials in the army. They have organized about a million informers who receive salaries as a "popular army." In every military unit from the largest to the smallest, Saddam Husayn set up civilian offices of representatives of the Ba'th, akin to commissars, who alone can authorize the departure of units from their bases. In Baghdad they say that this sophisticated rule is one of the reasons for the amazing survivability of the crudest ruler in Iraq's history.

The father of Saddam's wife, Tulfah Khayrallah, who is also his uncle, serves as senior palace advisor and is in charge of the large business deals that Iraq makes with foreign firms, both civilian and military. By virtue of the fees gathered in these deals, he is considered a multimillionaire today. The son 'Uday last year got a fee of 25 percent of the total bid won by a British firm to build a second palace for the presidential family, which is like something out of "A Thousand and One Nights," at a "modest" investment of 12 million dollars—a gift from the Iraqi people to Saddam Husayn for his victory over the Iranians.

In actuality it was like this: Last year a proclamation, in essence, was issued that the entire nation had to gather money to present a gift for the hero of the victory, a huge palace on the banks of the Tigris. The Iraqi people thronged to the contribution points. Even the poorest women contributed their wedding rings just to be sure they appeared on the lists of contributors and not to be a target for plots. Some years earlier, at the height of the Iran-Iraq war, Saddam Husayn announced that not only was the country's treasury devoid of money to purchase weapons, but that Iraq owed the countries of the world

about \$50 billion. Then, too, he called on his countrymen to contribute to the palace treasury, not in dinars but in gold. In that way the Tikriti clan gathered dozens of tons of gold.

Saddam Husayn really does oppress his people, but he has also invested a part of the oil revenues in giant projects intended to "restore Iraq, and especially the capital Baghdad, to the days of glory in the period of the Abbasid caliphate." He states repeatedly that the Iraqis are not only the descendants of the Babylonians but also of the Abbasids, who established an extensive Middle East empire that even included Palestine. He also represents himself as one of the descendants of the famous Abbasid caliph Harun al-Rashid.

Since Saddam Husayn's rise to power most of the Iraqi intelligentsia has fled abroad. They feared that the period of his rule would last a long time and remembered the blood he spilled back in the days of al-Bakr to establish the Ba'th's ideology, as it were. They were right. Saddam Husayn the president continued the wholesale annihilation of many of his country's elite—especially the educated.

After Khomeyni came to power in Iran, Saddam decided to solve the controversy over the Shatt-al-'Arab by force. He believed the Islamic regime to be undermined from within and that it was the right time to finish off what he loves to call "the false Persian prophets of Islam." He went to war believing it would be quick and short, but came back after eight blood-stained years to the place he started from: the Shatt-al-'Arab was not liberated. Today he is making all kinds of preparations to divert the Euphrates on its course to the Persian Gulf and to dry up the present channel separating Iraq and Iran. He has already invited the world's best engineers to look into it.

The war did give Saddam one important accomplishment: During its course he set up one of the most sophisticated armaments industries in the world, but he also put Iraq into debt to the tune of about \$60 billion, mainly to the USSR and to France. His debts to Saudi Arabia and to the Persian Gulf Emirates are apparently even bigger, but he told the emirs and the sultans that he will not give back a single dollar since during the war he defended them "with precious Iraqi blood," from the expansionist desires of Khomeynite Islam.

The war created several heroes that the Iraqi people came to appreciate, among them Defense Minister 'Adnan Khayrallah, an energetic young man, the brother of the ruler's wife and his uncle's son. Many believed that 'Adnan was really the one who brought victory in the war, in which he himself fought on several fronts and contributed to raising troop morale. Saddam feared him greatly and one day invited him for a tour in the presidential helicopter of the Kurdish autonomous region in the north of the country. At the end of the tour, Saddam Husayn decided to stay one more day in Kurdistan and asked his general to go back to Baghdad to take care of some problems. 'Adnan Khayrallah did what

his cousin told him, but on the way to Baghdad the helicopter tore apart in a "fierce storm," which, according to the testimony, never happened at all. Saddam Husayn brought out all the Iraqi people to the funeral and immortalized his dead relative by putting his name on the rocket booster carrying the satellites that exploded in space at a height of 28 km during its tests. Other generals who excelled in the war were also eliminated in "helicopter accidents," and only Saddam Husayn remains as the single all-powerful hero.

In August 1988, during the war, after he gassed to death thousands of old men, women, and children on the pretext they had rebelled against him, he called on the Iraqi people to tighten their belts in order to make Iraq into a great power. He ordered his officers and soldiers to quickly thin down, even if they had to fast, and after two months removed from service all those who had not lost weight. Despite this, on his last birthday, from the most famous bakery in Baghdad, he ordered a cake 53 layers high, 1.3 km in length, that cost no less than \$64,000.

Saddam hates Western reporters, who want to penetrate the family palace and yearn to find out just how true the rumors in the United States and Europe are of a "presidential Mafia" in Baghdad. Only rarely has he agreed to be interviewed by the Western press and then only in times of trouble, as when he was asked, through the Americans, for assistance in getting the Israeli Government to permit him to lay a pipeline from the wells in Iraq to 'Aqaba and to build a giant terminal in that Jordanian port city. That was at the height of the war, after the closing of the Shatt-al-'Arab to shipping and after Syria stopped him from continuing to send his oil through the pipeline across its territory.

Israel refused to promise it would not bomb the terminal at 'Aqabah, and Saddam deflected his oil through three pipelines, two through Turkey and one to Yanbu' on the coast of the Indian Ocean in Saudi Arabia. That project increased his enormous debts even more.

One other time Saddam Husayn tried, through Egypt, to establish contact with Israel with a request that it not sell arms to Iran. Egypt sent to Israel for that purpose the man who was Prime Minister, Mustafa Khalil. Saddam Husayn was then prepared to swallow the bombing of the "Tammuz" nuclear reactor by IDF [Israel Defense Forces] Air Force planes. Egyptian sources told us at the time that this was a golden opportunity for Iraqi-Israeli rapprochement, which would also have gained Israel a lot of good will among the other Arab countries.

Today the huge oil revenues have returned to the country. Saddam Husayn promises welfare for his people, but continues mainly to develop the military industries. To his great satisfaction, apparently, he recently fell in love with a young girl who has not yet been revealed to the media and even secretly married her. The rumors say that she even bore him a baby. That

marriage to a Baghdad girl who does not belong to the closed Tikriti family has aroused a lot of latent anger in Iraq.

Saddam Husayn met the beautiful rich girl through the "open office" conducted for him by his childhood friend, Kamil Jaju. This office was open only to women and girls, from whom Husayn learned of his people's problems, and one day this mysterious girl arrived and he fell in love with her. His original wife, Sajidah, upon hearing the stories about her new rival, decided to get rid of Jaju—the one who had gotten them together—at any price. She incited against him her son 'Udayy, who is to inherit the rule, a thick-bearded, introverted young man who serves as chairman of the soccer league in Iraq.

One night Jaju held a party in his villa, which is in a side court of the palace, sipped 'araq [type of liquor], listened to Iraqi rhymed prose and suddenly began shooting wildly. At that time Susan Mubarak, the wife of the Egyptian president, was spending time at the palace; she became very frightened, came out of her room to approach 'Udayy, and asked him what had happened. 'Udayy went out to Jaju's villa, took a truncheon and bashed his head in.

The story of this cruel murder was hushed up for a long time, but rumors spread throughout the country and aroused the people. Saddam appeared on television, told the truth, and announced that his son was in jail and was awaiting the death penalty. But now, a year after the incident, 'Udayy has been released and has even returned to his job as chairman of the soccer league. The reason given to the people was that Jaju's family begged the president to have mercy on his son and not bring him to justice. Saddam's family, too, headed by the mother, also pressured him to release 'Udayy.

Lately Saddam has been asking his people to greatly increase their birth rate and has drafted all the women's organizations for that purpose. They say that tens of thousands of women, the commissars of Ba'th, spread out daily through the households in the towns and villages and ask women to conceive and give birth. The revolutionary council has even passed a law forbidding the use of birth control, and violators are subject to strict penalties. The heaviest punishment, life in prison, will apply to anyone who distributes birth control devices.

According to Western estimates, the "Saddam Husayn mafia" will survive for several good years. In fact, it is concerned about developments in East Europe and the USSR. Recently the president has been inviting his officers and people to view a video tape documenting the execution of Nicolae Ceausescu and his wife Elana and telling them to be alert. At the same time he is preparing in the near future to make openings to his people; he recently set up "democratic" elections for parliament and is talking about how in the future he may permit the establishment of additional political parties. But all the

potential heads of those parties and their activists managed a long time ago to take refuge in London. In particular they have death sentences hanging over their heads.

There have already been many unsuccessful attempts on the life of Saddam Husayn, both on the part of undergrounds in Iraq itself and on the part of the Kurds. He was almost killed, accidentally, in a traffic accident during his recent visit to Amman. A car crossed the intersection at high speed and hit the car of Saddam's family, whose injuries were not very serious.

Saddam Husayn, who today wants to lead the Arab world, is not satisfied with Egypt, which is viewed in Iraq as Pharaonic. These days he has threatened to destroy half of Israel's territory if he should feel himself threatened. He opposed the Egyptian version of the political process because he knows that whoever liberates Palestine by force will be leader of the Arabs, and we must not forget that Saddam Husayn sees himself as the second Nebuchadnezzar.

## ISRAEL

### Foreign Ministry Director on External Relations

44230121D Tel Aviv 'AL-HAMISHMAR  
in Hebrew 14 Mar 90 p 15

[Interview with Re'even Merhav, director general of the Ministry of Foreign Affairs, by Motti Basoq; first three paragraphs are introduction]

[Text] Monday noon. On the second floor of the central building of the Foreign Ministry in Jerusalem, Ministers Moshe Arens and Zevulun Hammer are having a serious discussion on the "peace crisis" and the future of the unity government. Only two days before they still believed in what today no longer exists. Time really flies in Israel. At the same hour, on the first floor of the building, Re'even Merhav, director general of the Foreign Ministry, was minding Israel's display window as if nothing had happened on the Likud-Labor axis. Important Israeli ambassadors on leave, deputy directors for North America, Europe No. 1, and Europe No. 2 walked in and out. The office was as busy as a beehive. Interviewing the Foreign Ministry director general is a pleasant job. He manages to create a relaxed atmosphere and a direct rapport with his interviewer. What is difficult is getting to him. In the beginning, when he returned from the Far East, he was very busy. Later, when an appointment was finally made, the hour was repeatedly postponed.

Many Foreign Ministry employees view Merhav as their man at the top—a professional to counterbalance the politicians on the second floor. Among the people on the second floor are Bibi Netanyahu, and his and Arens' advisers, who come to the ministry with the minister or his deputy and leave with them. The fact that most of the diplomats look upon Merhav as their representative in

the world of politics should flatter him, since he was born and bred in the Foreign Ministry's old asbestos buildings at the Qiryah in Jerusalem. Re'even Merhav had devoted most of his life, his entire career, to the "Mosad." He donned the Foreign Ministry uniform twice: once at our Embassy in Lebanon—yes, we did once have an embassy there—and once as head of the Israeli Consulate in Hong Kong. This is his third term at the Foreign Ministry, and who knows—this may be the beginning of a second career. Nevertheless, it is difficult to ignore the fact that people at the ministry are angry with him. The anger centers particularly on one, professional, issue. Almost every employee one talks to is bound to return, in one version or another, to the same subject: Merhav has abandoned the peace issue to the politicians; it is inconceivable that the ministry director general should not deal with the number 1 topic on the agenda of the ministry and the entire state.

"We are in the midst of expanding the scope of the Foreign Ministry," Merhav said during our meeting with visible pride. "This is a controlled expansion without precedent in the 1980's. The expansion includes East Europe, Africa, the Far East, and the European Community in Brussels. And the process still continues. Each specific case is a very complex option, and so far, each expansion was carried out without additional budget allocations to the Foreign Ministry. We made cuts in other places, to the bone. For example, the administrative deputy director general himself stayed in Addis Ababa several long weeks, under very difficult conditions, to handle the establishment of the embassy. The head of the Africa Department himself is the ambassador to Addis Ababa; we have no replacement for him. Then, one man from the Embassy in Japan takes care of our affairs in South Korea. We are now in the process of conducting in-depth talks with the Treasury's appropriations department, which recognizes the professional need to increase the number of overseas slots. I must point out that there has not been one task that the ministry did not carry out immediately, with speed and efficiency. We have altogether about 400 something people overseas, and for every man you send out you have to make a sacrifice. There are tremendous developments under way, and we must remain on top of them. With all the importance of the peace process as the central issue in the work of the ministry, one cannot ignore other events in the world. There are changes in East Europe, the Horn of Africa, and West Europe. We invest a lot of thought in each of those areas, and have our operational deployment accordingly."

[AL-HAMISHMAR] The West has been flooded with reports of Israeli involvement in Ethiopia, which you recently visited. What are we doing there?

[Merhav] "The point of departure is very simple; the Ethiopians decided that, given the world picture of the end of the 1980's and the beginning of the 1990's, it was in their interest to restore relations with Israel, which had been severed in 1973. The two countries cannot

ignore the historical ties between them. Needless to say, it is important for Israel to have a second friendly country (the first being Egypt) along the Red Sea coast, in our second circle. Unfortunately, since 1961 there has been civil war in Ethiopia, and this war has been escalating in the past two years. From Israel's viewpoint, we would have been happier if there hadn't been a war there. Ethiopia has a Jewish community, and only a small number of its members are in Addis Ababa. The Ethiopians realize that this community is an important factor in our considerations. Ethiopia is the center of the Organization of African Unity [OAU], and has historically been an independent country. The African countries are resolutely opposed to tearing off chunks of any country, and this applies to the civil war in Ethiopia, too, especially because of the fear of creating a precedent. We saw that in the Biafra crisis in 1967, and other crises.

"Israel has to steer a course through this complex situation toward consolidating its renewed friendship with Ethiopia. We must take into account the fact that these new relations have reverberations both on the immediate area and on our standing in the world. For example, there have been rumors that we are working on diverting the Blue Nile, which is the sap of life for all the countries through which it flows. We immediately sent a message to Egypt to let it know, clearly and honestly, that there was no truth to those rumors. Israeli experts did study the river, which is at 600 km from the collection reservoir of the Blue Nile. Such reports keep emerging because those issues are very sensitive. Within certain limits, we will continue to build an appropriate network of relations with Ethiopia, and will renew our ties in civil areas, too. I cannot deal with each rumor, but I can categorically tell you that there are no Israeli military personnel in Ethiopia. The geopolitical situation has changed, the whole world picture has changed. Israel's oil no longer goes through the Bab al-Mandeb Straits. We cannot rush to deny every report that some journalist comes up with about imaginary things, like the island that we allegedly hold."

[AL-HAMISHMAR] Is there any news on the subject of China?

[Merhav] "We have come to the point where we have entirely open and regular contacts with the Chinese in the United Nations. The Chinese foreign minister called on Arens in September 1989 at his hotel in New York, as a special gesture. We continue to develop contacts from one nation to another. We are in the course of a lengthy process, which will ultimately lead to regular relations between the two countries. Take, for example, the American model: Nixon visited China in 1972 and the United States opened its Embassy in Beijing in 1979. We have been talking to them since 1985, not yet seven years. In the meantime we do have relations with them in academic, cultural, public, and civic areas. This year we are getting five academic scholarships from the Chinese, which we will reciprocate. Reporters from the Chinese Press Agency come to Israel fairly often, and it may even open a permanent office here. They have a tourist agency

in Israel, designed to promote Israeli trips to China. In Israeli terms, progress is not sufficiently rapid, but to them, in Chinese terms, it appears satisfactory. That is their pace, and they are the ones who are dictating the pace. We will open an academic office in Beijing in April, which will be headed by a professor of agriculture, because that is the area in which we can be of assistance to them. Our office in Beijing is now in the process of registering. It will be recognized there as a statutory body of another country."

[AL-HAMISHMAR] What is happening with South Korea? Are we going to open an embassy there?

[Merhav] "We are working there through Tokyo. There is a continuous process of economic, political, and social development in South Korea. There are extensive opportunities there for us, through the parliament, through Christian denominations—which are very important there—and through economic sectors. We are expanding and developing our activities there through our embassy in Tokyo."

[AL-HAMISHMAR] Is there any chance that we will manage to break into Muslim countries in Southeast Asia, Malaysia, or Indonesia, for example?

[Merhav] "I don't think so. Almost in every place where the religious element and Pan-Islamic solidarity are strong, we are on the outside. This goes for Malaysia and Indonesia, too."

[AL-HAMISHMAR] How do we stand in our cooperation with the Americans on the Third World?

[Merhav] "We have a set of talks and consultations with them on developments in the Middle East in their broader context, on the Third World, and on East Europe, which are anchored in the memorandum of understanding signed between the two countries in 1988. At the end of this month I will be in Washington with some of my colleagues from here for another series of talks and consultations. Concerning East Europe, we are interested in both hearing and talking about the directions in which that part of the world is moving. The Foreign Ministry is devoting much thought to long-term developments in Soviet Muslim Asia. We were energetically involved in the events in East Germany. About one year ago we asked cadets to do a staff study on the possibility of establishing relations with East Germany. We have recently been using some of the cadets' material for the talks between the minister for diaspora affairs, Mikha'el Shilo, and the East Germans. One has to continually keep in mind the changing configurations, in spite of the permanent work pressure. We will probably open a small section to deal with political planning in changing situations at the Department for International Studies, more precisely with Israel's position vis-a-vis changing structures in the world. This section will be designed to guide us through the directions action will take."

[AL-HAMISHMAR] The Indian Government and ruling party have been replaced. Can we expect any dramatic change in our relations with them?

[Merhav] "Given India's basic conditions, we may be able to nibble at some corner and make a bit of progress, but I don't think we should expect any serious change in our relations with them in the near future. As a non-aligned country with a large and influential Muslim minority, India's tendencies lie elsewhere. Nevertheless, we continue to examine each opportunity for developing our relations with it."

[AL-HAMISHMAR] In what direction are we marching in East Europe?

[Merhav] "Developments there are very dramatic. The countries that restored relations with us view that as a diplomatic act of poetic justice and as a moral admission ticket to the club of democratic countries. The electronic and written media have opened up to us in those countries. Our representations there will wield influence and will place special emphasis on economic and diplomatic aspects, including international affairs, on the Jewish topic, culture, and so forth. We now have an open and expanded West Europe. We would have liked to be more advanced in the Soviet Union, but there we are running against a powerful stronghold of hostile conservatism at the Foreign Ministry, which remains suspicious of Israel, while at the same time using the Israeli trump card in their relations with the Third World and the Arab world. But the new spirit of the times has had an influence in the Soviet Union, too, and has touched personalities in academe and culture, and throughout all walks of life."

### Rabin Discusses Recent Developments

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in Hebrew 30 Mar 90 pp 6-7

[Interview with Yitzhaq Rabin by Yisra'el Landers; first paragraph is introduction]

[Text] Yitzhaq Rabin's daily schedule is almost as crowded as when he was minister of defense: meetings with those who seek him out, consultations and bargaining on the forming of the coalition, and public appearances. But today, as he sits in the Qiryah [government compound] in a small, one-story structure bearing the name of the previous minister, Mordekhay Gur, it is easier to squeeze an interview with a journalist into his schedule than when he was in the Ministry of Defense. As the conversation with him took place on Sunday, there was no point in touching on the pendulum of negotiations for the formation of the government. The subjects that were discussed do not get stale within a day or an hour: the changes necessary in order to rehabilitate the decisionmaking ability of the political system, the prospects for advancing the peace process in a narrowly based government, al-Asad's peace signals, and signs (real or imagined?) of erosion in the attitude of the U.S. administration.

[DAVAR] Has there been a change for the worse in the policy of the present administration towards Jerusalem?

[Rabin] The policy of the administration regarding Jerusalem has not changed since 1967, and it laid down three things: The city must be united; it must be open, without a wall and wire fences; and, as to the interests of the different sides, which were then Jordan and Israel, they are a subject for negotiations between them when the peace process begins. No U.S. administration recognized the imposition of Israeli sovereignty over East Jerusalem. It should be remembered that up to 1967, all the administrations in Washington also refrained from recognition of the western part of divided Jerusalem as the capital of Israel, and, consequently, did not move their embassy there. But as they recognized the great sensitivity of this subject in the eyes of the parties directly involved and in the eyes of the Arab and Muslim world and of the Christian world, they did not bring up any aspect of it on their own initiative. Their statements were, generally, reactions to problems that they had not raised. Thus, basically, there has been no change in their policy. Rather a combination of circumstances—the peace process, the subject of immigration, activity in the Arab world concerning Jerusalem, and comments made here—led them to make the recent statement, whose style was much sharper than in the past.

[DAVAR] Are you saying that only the unfortunate timing of their declarations is what grated on our ears?

[Rabin] I'll tell you about an incident that occurred in 1969 or in 1970. As a result of our actions, the problem of Jerusalem arose and was brought before the Security Council. I was then ambassador in Washington, and I was asked by the foreign minister and the prime minister to deal with the administration so that America would support the Israeli position. I approached Assistant Secretary of State Joseph Cisco on this matter, and he simply said to me: As long as the subject of Jerusalem is quiet, we can also remain silent. But if Israel or someone else creates problems and we are forced to make a statement, then you know our position and we will express it.

A similar incident occurred now, as well. The difference is that in the past, the Americans would have such statements made by mid-level persons, and they certainly did not cause the President of the United States to state it himself and as his own position. That is, there has been an aggravation of the style and of raising the level of the speaker to the highest level, and I don't recommend that we ignore that. I am of the opinion that the activity that is being carried out in the United States through the Jewish community, and certainly through the official representatives of the State of Israel, and the Senate resolution calling for the recognition of a united Jerusalem as the capital of Israel, though it does not bind the administration, are important reactions to counter the possibility of erosion in the positions, and not only in the style.

**I Don't Have an X-Ray Machine**

[DAVAR] Does the holding-up of the peace initiative show that it is impossible to advance the process in a national unity government, or that you erred in your estimation of the willingness of the prime minister to continue to support the initiative?

[Rabin] I was of the opinion, and my opinion has not changed, that on issues of war and peace it is better to act on the basis of a broad national consensus. Therefore, I was one of the members of the Labor Party who supported the establishment of a national unity government in 1984 and in 1988. I believed that it was possible to go forward in the peace process on the basis of the peace initiative of the national unity government that was decided on 14 May 1989. I did not ignore difficulties within the Labor Party, and, even more than those, difficulties that could appear within the Likud. But I believed in the possibility of moving forward because the peace initiative, in essence, is anchored in a conception of the peace process on our eastern border and in a solution of the Palestinian problem on the basis of the Camp David accords. As is known, those accords were signed in the days of the Likud government headed by Begin and with the great support of the Alignment faction in the Knesset, which supported it more than the Likud faction. And, indeed, the peace initiative was accepted and it propelled the diplomatic process. In its wake, Egyptian President Mubarak presented his 10 points. Indeed, these reflect the Egyptian interpretation of the Camp David accords, and Mubarak is not one of the pupils of Jabotinsky and Berl Katznelson. If only one European state were to adopt a policy so close to the Israeli position as that which is expressed in those 10 points. The most important things in this document are an agreement in principle to the two-stage transition process from the present situation to a permanent peace and a solution of the Palestinian problem and the acceptance of the principle of the elections, according to which the residents of the territories themselves will choose their own representatives. In August, the Americans appealed to the Egyptians to take an initiative that would bring about the elections. The Egyptians agreed, and their initiative ended up as the five points of Secretary of State Baker.

Even if the process was broken off, it was worth taking that path, for a basis was established for the continuation of the negotiations in the future. And I believe that without that basis, which is the result of a broad national consensus, it would not now have been possible to try to establish a government headed by the Alignment, that would continue with the peace process, even on a narrow coalition basis.

[DAVAR] Why was the process broken off, was there a change in Shamir's position?

[Rabin] I don't have an X-ray machine for examining a man's intentions, whether he is in the Likud or in the Labor Party. Therefore, I am speaking about results and

not about what caused them. And the result is that the Likud, without referring to one person or another, stopped when we had before us a significant step to take in the diplomatic manoeuvre. The meeting of the Israeli and Palestinian delegations in Cairo would have pushed the sides forward by a significant stage, and it seems that because of considerations of persons in the Likud and of the Likud as a whole, they were not capable of taking that step. I was convinced that it was possible to reply positively to Baker without impairing in any way Israel's sovereignty over Jerusalem, its complete and united capital. And it was clear, in my opinion, that the autonomy did not include any Israeli urban area, including Jerusalem. But I reached the conclusion that at that time it was not possible to get the Likud to say yes. And the proof of that is that Peres replied positively to the letter of the honorable Rabbi 'Ovadya Yosef, and Shamir—did not.

[DAVAR] Let's assume that a narrowly based government headed by Alignment is established, and that it replies yes to Baker. Do you think that it would be able to bring about a manoeuvre that the unity government would not have been ready to lead, in view of the opposition to it that would arise?

[Rabin] I would not have participated in the efforts to establish a government on the basis of a majority coalition, though not as massive a majority as in the framework of a national unity government, were it not for my being convinced that we must make the attempt and that it is possible. There is no doubt that if such a government were to arise, there would be great tensions, which would recall the period after the Yom Kippur War. At that time, the opposition led by Likud opposed the disengagement agreements with Egypt and with Syria, and there were large demonstrations against Kissinger's shuttle effort, which resulted in September 1975 in the interim agreement with Egypt. It is clear that such events are to be expected. Nevertheless, I feel that it is our duty to advance the peace process, and that I must be a partner in that.

**A Peace Strategy**

[DAVAR] Even if elections were to be held in the territories, do you believe that a more moderate and pragmatic leadership than the leadership of the PLO would arise there?

[Rabin] The Israeli strategy tried throughout the years to solve the Palestinian problem in the context of peace negotiations with the Arab states. That's the way it was with the Camp David accords and in the autonomy talks, when the address was Egypt, and that's the way it was when the Labor Party raised the Jordanian option. In the '80's, the Palestinian issue became more prominent. That was caused by the Lebanon War, which was the first Israeli war against the Palestinians since the War of Independence, and—in a more striking manner—by the uprising that broke out in December 1987. In 1982, Egypt withdrew from leading the diplomatic process for

a solution of the Palestinian problem, and Jordan withdrew in July 1988. The Labor Party understood that it was necessary to find a Palestinian partner for, without one, there would not be in the present or in the foreseeable future a peace process in the framework of the Arab-Israeli conflict. We opposed, and we continue to oppose, negotiations with the PLO, and, therefore, it is necessary to negotiate with a different Palestinian address. The population of the territories numbers approximately 1.6 million persons, and it is the largest Palestinian unit (in Jordan there are 1.3 to 1.4 million, and in Israel about 800,000), and it is inconceivable that the residents of the territories will not participate in the diplomatic process in which their fate will be determined. A real, authentic representation of the Palestinians in the territories can arise today only by means of elections. And, therefore, Peres and I proposed in October 1988 the proposal regarding the elections. I believe that the elections will give the residents of the territories legitimacy to conduct with us the negotiations on the coming stages in the process. We have said, and we continue to say, that it is not our affair with whom the residents of the territories will consult within and outside the Arab world, as long as they are the partner and no one else.

[DAVAR] And do you think that through this process a Palestinian leadership will arise in the territories that will be less extreme than the PLO?

[Rabin] I don't know who will be elected. On the basis of my acquaintance with what went on in the territories during five and a half years as minister of defense, I believe that the residents of the territories, like the Israeli Arabs, like the Jordanians of Palestinian extraction, have their own interests, which do not obscure their general Palestinian identity. And, in my opinion, in such elections there will arise a leadership that knows—in contrast to the group that is sitting in Tunisia—what is responsibility to an entity of 1.5 to 1.6 million persons and its needs in the fields of economics, society, education, and municipal affairs. When were the men of Tunisia responsible for these things?

[DAVAR] If the peace process is frozen, do you foresee a worsening of the violence in the intifadah?

[Rabin] The government crisis prevented the need to reply positively or negatively to Baker's questions. But if there is an Israeli rejection after the Egyptians and the Palestinians, through the United States, have accepted most of the demands, I foresee serious developments, of which the intifadah will not necessarily be the most important component. We must pay attention to several directions of development: in the Arab world, in which there are noticeable signs of reconciliation, in the international arena, and, of course, within the State. I believe that the people of Israel want a government whose main goal is peace.

As for the intifadah, I would like to clarify: Even if the peace process continued and we were to hold elections,

the picture would not be unequivocal. In such a case, I estimate that the violent and passive characteristics of the intifadah such as stone-throwing and strikes would decline significantly. In contrast, it is very possible, or reasonable to assume, that in the first stage the internal terror struggle would sharpen. The extremists among the Palestinians are liable to intensify the internal terror, and may also strive to intensify the terror against us, on the assumption that these two will foil the continuation of the peace process. Therefore, the intifadah should not be discussed in inclusive terms, and it should be taken into account that for every decision regarding the peace process there will be results that are not necessarily black and white.

[DAVAR] What is your opinion of the State Department announcement that the PLO has fulfilled, on the whole, its undertaking to refrain from acts of terror?

[Rabin] There is a difference between our concept and the American concept on the subject of terror regarding the PLO. According to the Americans' understanding of 'Arafat, passive resistance and violent activity in the territories such as stone-throwing, are not defined explicitly as terror, while any penetration of terror squads from Lebanon, from Jordan, from Egypt, or by sea or air for the purpose of attacks in Israel are considered to be terror. And it is true that since the end of November 1988 Fatah has discontinued penetration by its squads. In contrast, the organizations of Habash and Hawatimah, which are still affiliated with the PLO, are continuing terrorist activities. Therefore, PLO-'Arafat is also continuing terrorism according to the American interpretation. Fatah-'Arafat is not engaged in terrorism, according to the American conception, aside from several exceptional events. We have not accepted and we do not accept this American interpretation.

#### Al-Asad's Terms for Peace

[DAVAR] What is your opinion of al-Asad's signals for negotiations or for peace?

[Rabin] My clear opinion is that any attempt at talks in the framework of negotiations over the full range of the problems of the conflict will lead to an impasse. This was also al-Sadat's opinion. I recall that Eytan Haber and I met with him in Alexandria in 1980. One of the questions that I presented to him was whether he had acted to get Husayn to participate in the Camp David talks in order to finish with the whole business. Al-Sadat replied: Not only did I not assist in that, but I did everything so that he wouldn't come. Had he come and had we had to resolve not only the issues in dispute between us, but also the entire range of problems that Jordan represented, we would not have arrived at peace.

I have always believed that some overall framework is required, but the most desirable thing is to attack one front at any time. That is how the governments of Israel proceeded, and this policy indeed led to peace with Egypt. According to this principle, it is possible to continue and to advance on the basis of the peace

initiative of the national unity government, and to deal in the first stage with the Palestinian problem, to add Jordan, and only afterwards to get to deal with the problem of Syria. Lebanon is a secondary problem from the diplomatic viewpoint.

As for Syria's position, I perceive changes in its strategy regarding its place in the Arab world, and perhaps also in the international arena. I do not see a significant change in its position in everything concerning Israel. First of all, the pursuit of negotiations from a position of strength. That is, a continuation of the policy of strategic balance, even while it knows that it is very far from attaining it. Second, attacking the entire Israeli-Arab conflict as a whole in an international conference, which would have to decide on the principles of the solution, and only afterwards would there be talks in separate teams. The Syrian statements stress not peace, but rather the solution to the problems of the Golan Heights and the Palestinians. According to the Syrians, there is no separate solution with Syria without the Palestinians. There is no solution without the return of all the territories and mutual demilitarization. Syria is demanding that it receive the entire Golan Heights, and a condition for their demilitarization is the demilitarization of an area of the same depth in the Galilee panhandle. That's not serious.

[DAVAR] In view of the repeated political crises, hasn't the time come for a change in the system of government?

[Rabin] Let's differentiate between what is desirable and what exists. In my opinion, our political system—the system of government and the electoral system, which cannot be separated—has almost reached bankruptcy. This is expressed in the lack of an ability to make decisions. In order to bring about a significant change, it is necessary to correct the system of government and the system of electing the government. No one formula of government in the world should be copied. I think that it is necessary to find a way, in an Israeli format, that will allow the strengthening and stabilization of the executive level—the government. A strengthening of the legislative level's authority and the prevention of a day-to-day dependence of the executive level upon a majority in the Knesset also is required. I do not believe that in the State of Israel it is possible to make the transition to the two-party system in one move. The raising of the minimum percentage of votes also won't help, because it will result in the creation of a religious bloc, which will always be able to tip the balance.

[DAVAR] Until the Arab bloc arises.

[Rabin] That, too, can happen. Therefore, I have no doubt that it is necessary to change the method of government and elections and to adopt a more personal method. In political life, it is impossible to separate between the what and the who.

As things now exist: As long as there is a situation where basic trust is lacking between the two large political blocs, the Likud and the Alignment, then if one of them

acts to change the method, it will immediately ensure a majority for the other bloc, which will be able to establish a narrow government with the assistance of the small parties. Therefore, the change depends on agreement between the two large parties. That's how the amendment, on a smaller scale, was reached regarding the elections of local authorities, when I was prime minister in a transition government.

[DAVAR] Do you think that now there will be such an opportunity?

[Rabin] I do not see it at the moment, unless the Likud and the Alignment arrive at an agreement, regardless of the reasons. Considering the deep lack of trust that now exists between them, it is very difficult for me to see that, and I hope that I will be proved wrong.

[DAVAR] Would you support the direct election of the prime minister?

[Rabin] I do not want to say now what, in my opinion, is the preferable method. The direct election of the head of the executive authority—yes. It is another question whether he will be a prime minister or a president. At the moment, I will not go into details.

#### [Box, p 7] The Red Line for the Use of Force

Rabin strongly denies the assertions that attribute to him the instruction "to break hands and feet" as a means of punishment for the suppression of the intifadah. "I did not once use the expression, 'to break bones,' which Chief of Staff David El'azar of blessed memory voiced, and afterwards regretted. But I did say unequivocally, mainly in the most acute stages of the intifadah, at the end of 1987 and the beginning of 1988, that the violent rioters, who are acting as individuals, and certainly the large violent demonstrations, should be repressed with all legal means. And if they don't succeed by the use of gas and the firing of rubber bullets—there were no plastic bullets then—the rioters should be stormed while they are acting violently, and while hotly pursuing them, as long as they are resisting, including blows. Why were billy clubs given to the soldiers? And I said that in order to give them support."

"The red line is submission. IDF [Israel Defense Forces] soldiers do not shoot someone who raises his hands in battle. And the use of force against a violent rioter ends when he surrenders to those who want to arrest him and he ends his violent activity. The use of force, including billy clubs, including blows, was defined to the commanders as a means of overcoming the violent demonstrations and the violent demonstrators and in hotly pursuing them, as long as they resist. It is not a punishment after surrender."

**New MAPAM Leader on Political Situation**

44230125D Tel Aviv 'AL-HAMISHMAR  
in Hebrew 30 Mar 90 p 8

[Interview with Elazar Granot by P'er-Li Shahar; date, place not specified]

[Text] ['AL-HAMISHMAR] Shim'on Peres is now deeply involved with the coalition contacts. How, in your opinion, will things develop?

[Elazar Granot] Prof. Yeshayahu Leibovitz, when he received an honorary doctorate from Tel Aviv University, said that there are two concepts on the subject of prophecy. One, that prophecy is the knowledge of what is going to happen; the other, that prophecy is the knowledge of what should happen. The first concept leaves room only for conclusions, and the second one requires decisions. Similarly to Leibovitz, I adhere to the second concept. I do not know what will happen.

['AL-HAMISHMAR] It's complicated?

[Granot] Not only complicated, but sad. Because if a government that will begin the diplomatic process does not now arise, the alternative is very threatening. I fear an outbreak, an intensification of the intifadah, the counter-responses. On the horizon there may be an outbreak of hostilities, which also puts to the test the peace with Egypt, and there is the danger of an international imbroglio not only with the United States. There are liable to be difficulties with moves that could be conceivable with the prospects that opened up for Israel in East Europe, including immigration, and this would have a direct and indirect influence on our economic and social problems. The peace process is the opening of hope for all of our national goals.

The subject of the formation of a government is so important, that we bit our lips, swallowed bitter pills, including the affair of Rabbi Shakh, and imposed on ourselves an almost total restraint.

['AL-HAMISHMAR] But now, after the announcement of Rabbi Shakh, the situation is quite clear.

[Granot] Nothing is clear. As long as the candle flickers, one must not despair.

['AL-HAMISHMAR] But Rabbi Shakh's criticism still required a sharp response.

[Granot] The answer came from hundreds of mouths, it was heard from the field. I only regret that such importance was ascribed to what he had said. For had he said it somewhere else, it wouldn't have been important. He and his friends have been asserting the same thing for dozens of years now. Their impudence goes beyond all bounds. But in MAPAM [United Workers Party], we imposed restraint on ourselves even regarding this.

['AL-HAMISHMAR] Does the fact that SHAS [Torah Observing Sephardim] and Degel HaTorah do not support Peres mean that the intelligence sources in the Labor Party did not work properly?

[Granot] I do not know if there had been a good examination of the field. It seems to me that there were deceptions here, not necessarily out of ill will. Some intentions were translated into facts. Dar'i, for example, sincerely wanted such a government to be formed, but the error is not in the information but in the in-depth understanding of one's interlocutor. The whole structure of the ultraorthodox system, which leads in the end to the decision of one man, creates an impossible situation from the start. I am not criticizing Peres, I think that because he views so seriously the danger of missing a chance for the peace process again, he had to try. Peres knows what he is endangering. I imagine that if this strategem fails, the one who pays the heaviest price will be Peres. In my opinion, he took this into account, so I admire his courage.

I know that there are those who criticize us for the extent of our cooperation with the unpleasant part of these moves. But the situation can be likened to walking in a tunnel where everything is collapsing, and there is one escape hatch, and in order to reach it, it is necessary to cross a sewage ditch. Whoever is too delicate, will not get his feet wet.

['AL-HAMISHMAR] There are those who assert that the escape hatch from the present situation is a change in the electoral system.

[Granot] Up to now, MAPAM's line was opposition to a change in the electoral system. Now, I think that it is necessary to discuss it again. Something has to change before we hold new elections, otherwise we will arrive at the same results.

['AL-HAMISHMAR] One of the common arguments is that differences of opinion on the diplomatic issue are so basic, that without the advancing of the matter in a unity government, serious confrontations can be expected, a split in the people, and even civil war.

[Granot] There is no doubt that there is a danger of a very severe internal confrontation between Jews and Arabs, with the realization of the peace process. Someone has sown this spirit. Whoever settled 80,000 Jews in the territories, armed them, allowed them to establish militias, and inflamed public opinion against any compromise as the price for peace, bears the responsibility for what is occurring. We must be aware of this danger, but we must not assume it as proven and self-evident. I believe that despite all the built-up tension, this people has in it more elements of national responsibility.

['AL-HAMISHMAR] You were chosen this week as the party chairman. Why was it necessary to change the titles?

[Granot] Office holders in the operational sphere, with the separation of the central committee as a parliamentary institution and the party, which is the executive sphere. [as published] The division between the secretary and the chairman is important for everyday life in the party. Until now, there were overlapping areas that interfered with the joint activity. With the present method, there are more defined expectations of every office holder. The secretary is first and foremost an organization man. That is a necessary, but not a sufficient characteristic. Clearly, the party chairman must be a man with different characteristics, and the organizational characteristic is not necessarily the most important one.

[AL-HAMISHMAR] What are your goals?

[Granot] We are dealing with a move that includes five stages, beginning with the elections to the Knesset, with preparations for independent participation in the Histadrut elections, the Histadrut elections, and a convention that decided on a change in the constitution. Now we stand near the end of the fourth stage. A constitutional change is required as the fifth stage, which is the creation of a broad infrastructure. In this framework, we will examine the possibility of a new organizational structure, in addition to the branches.

[AL-HAMISHMAR] In the competition for the position of chairman, you received 57 percent as against the 43 percent that Imri Ron received. Doesn't that show that you are controversial?

[Granot] Philip Plotznik who was the chairman of the World Jewish Congress, once said that five years after he had completed the university as a superior student, he met his professor, who said to him, "Philip, everyone says that you're good." Five years later, the professor said to him, "Everyone says that you're very good." Fifteen years later, the professor said to him, "They say that you're excellent." And 20 years later, he said to him, "You're reached the top! You're controversial...."

### Economists Study Effects of Occupation

44230125B Tel Aviv DAVAR in Hebrew 29 Mar 90 p 7

[Article by Ephrayim Davidi]

[Text] A study group that met last week at Tel Aviv University became a rare encounter between the academic world and reality and economists from Israel and the territories. But all the attempts to hold an academic discussion of the question "The reciprocal relationships between the Israeli economy and the Palestinian economy in the present and in the future" were fruitless. For, after all, it is impossible to hold such a discussion when one of the main speakers, the industrialist Mahir Masri, did not arrive because the curfew in his city, Nablus, prevented him from coming.

Mahir Masri is, perhaps, not known to many Israelis, but he represents the Palestinian bourgeoisie, which was

educated in the United States or West Europe, and which is ready to establish a developed and independent national economy. These are yesterday's "pro-Jordanians," who today, due to the intifadah, define themselves as "a national bourgeoisie." It is reasonable to assume that his invitation to the discussion was not by chance.

Prof. Hisham Awartari (of the Economics Department at Al-Najah University), Dr. Eli Saguy (of the Tel Aviv University Economics Department), Dr. Ephrayim Ahiram (a former economic advisor in the military government, and now a researcher in the Davis Institute at the Hebrew University), and Dr. Miron Benevenisti, the director of "The West Bank and Gaza Strip Project" participates in the discussion in Tel Aviv. At the last minute, a young industrialist, Samir Khalilah, of al-Birah, arrived (apparently his city was not under curfew that day).

Prof. Awartari opened the discussion, saying that it is impossible to discuss reciprocal relationships between the two economies, but rather the continuing occupation, which is reflected also on the economic level. His simple conclusion: There are no reciprocal relationships, but rather a one-way dependence of the colonial Palestinian economy on the Israeli economy. Prof. Awartari believes that Israeli industrial exports to the territories amount to \$700 million annually.

Dr. Ahiram, who responded to Dr. Awartari, recalled that, "Nevertheless, a dramatic increase in the standard of living in the territories and in the buying power of the residents was recorded." But in the end, he agreed with the preceding speaker. Many speak of "a free flow of capital, labor, and products" from both sides of the Green Line, he said, but we are, in fact, speaking of a one-way flow to Israel's benefit. According to him, there is an anomaly in everything related to the absorption of manpower from the territories in Israel, when approximately 50 percent of the workers in Gaza and about one-third of the workers in the West Bank are employed in Israel. "These workers are always employed at the bottom of the occupational ladder, without any possibility of advancement and also without the possibility of working in the territories themselves, because Israel is preventing the development of the local economy."

These words may be surprising when they come from the mouth of someone who was an advisor on the implementation of this policy. However, Ahiram added that it had not been possible to advance also by means of the economic plans that Israel proposed following the Camp David accords. "The documents that were prepared for the discussions, and which relate to the economic future of the territories, are embarrassing," he said. "These documents were the continuation of the thinking that Israel would be able to impose its will upon the Palestinians forever." And, in order to remove doubts, he emphasized, "As a result of this thinking, every attempt to develop local industry was prevented."

Dr. Eli Saguy, who for reasons known only to himself did not want to go into an analysis of the situation, satisfied himself with a vague statement: "Economists do not come up with solutions, the solution is in the hands of the statesmen." It is doubtful that this statement is true, and it is mainly convenient.

Israeli economists are one of the few professional sectors who did not join in the protest against the continued control over the territories. Psychologists, lecturers, painters, architects, physicists, sociologists, mental health workers, physicians, lawyers (a partial list) have organized in one form or another in order to protest the continued repression. While these groups do not represent the "silent majority," they have acted and are acting with great vigor. We have not heard of economists who at least tried to protest against the closing down of the economics departments in the universities of the West Bank (in its second year).

It may be that Dr. Saguy's position represents many good persons, in the academic world and outside it, who believe that "the profession should not be sullied" by taking political positions. Nevertheless, they are taking a political position, consciously or unconsciously, by their actions. And Saguy's position is quite astonishing, in light of the research—regarding which he gave some details during the evening—that is being conducted by the consulting firm "Economic Models," in which he is a partner. The subject is the forecasting of Palestinian economic development "after the peace agreement." The company's experts found that a series of measures on three levels should be adopted in order to rehabilitate the Palestinian economy: massive construction, the establishment of physical infrastructure, and industrialization.

Saguy's research starts, of course, from the assumption that the heads of the Palestinian state are unable, or unwilling, to break away from the Israeli economy after gaining independence. However, the question is asked whether this "of course" is also acceptable to the other side. It is not possible to draw this conclusion from the comments of the Palestinian representatives at the study group—who took care to note that "they do not represent anyone."

As for Saguy's proposal: According to him, the refugees are about one-third of the population of the territories, and approximately 100,000 housing units could be built for them within a few years. The incremental demands from the construction of such a quantity of housing units, by themselves, would give an "injection of encouragement" to the local economy and to the development of the branches connected to construction. This is on the basis of the Israeli experience of the 1950's.

The industrialization of the Palestinian economy will be more difficult. Industrial output does not constitute more than 10 percent of the total output of the economy of the territories today, said Saguy. And massive investments are necessary in order to alter the trend. Given the

present conditions in the capital market, and especially on the basis of the capital reserves in the Gulf states, it will be possible—according to the study—to mobilize the necessary monies. In Saguy's estimate, this involves mobilizing six or seven billion dollars for solving the refugee problem and accelerating industrialization.

As for the infrastructure, Saguy believes that an independent infrastructure should not be built. The Palestinian economy must rely on the existing infrastructure in Israel. And here, he deviates from the Israeli experience. According to him, the establishment of an infrastructure for the Palestinian economy "is not worthwhile," especially when it is possible to use the Israeli infrastructure on a commercial basis, and at lower costs than for construction from scratch. Wouldn't the Palestinians be giving up their economic independence by that step? Saguy does not believe so. In his opinion, economic relations of "healthy dependence" should be maintained between the two economies, such as exists between Israel and the United States.

Samir Khalilah's description was important for filling out the picture. Khalilah spoke for only a few minutes, but described a Kafkaesque situation, in which there is no place for any private initiative for promoting local industry. The restrictions, according to Khalilah, are imposed by the fact of Israeli military rule, and they have no logic, aside from the iron logic of not allowing local industries that would be able to compete with Israeli industries. He related that when he approached the staff officer who deals with permits, in order to obtain approval for establishing his factory, and after he had passed the hurdles of SHABAK [General Security Service] and the police, he was required to produce confirmation from the Israeli factory that was liable to be injured by his factory's production. In other words, in order to establish industry in the territories, it is necessary to produce confirmations of "noncompetition." Understandably, no one is willing to issue such confirmations, which are certainly illegal in Israel.

Khalilah said that his case is not singular. His friends scurried to establish a dairy, and also were required to bring a confirmation from Tenuva testifying to "non-competition." Consequently, only a few permits are given each year for establishing small factories or workshops, and most of the local entrepreneurs are unable to realize their dreams. Khalilah said that, due to the situation that was created and the need for permits, in the last two years, in the Hebron region alone—and in the shadow of the intifadah—about 40 factories were established, most of them small, which produce "import substitutes" without permits.

Of course, it is impossible to expect that a discussion will have the power to change a reality that is 22 years old. But we will not be able to say tomorrow "we did not know and we did not hear." At least, not in the senior government positions. The director-general of the Ministry of Finance, Ya'akov Lifschitz, listened attentively to the discussion. As is known, he is for free competition,

for the opening of Israeli markets to competing goods, and allowing industry freedom of action. Does he believe that these rules do not apply also to the products of the territories?

### Report on Taxation System in Territories

44230119E Tel Aviv DAVAR in Hebrew 9 Mar 90 p 17

[Article by Hadara Lazar]

[Text] "If I attempted to use, inside the Green Line, the means I employ in the territories to increase tax collection, they would hang me in Zion Square." This remark was made by Mordekhay Bareqet, the director of the Customs and Excise Department and cited in HA'ARETZ on 31 October 1989. It begins a report on the use of the taxation system in the territories as a means to impose Israeli rule.

The report, written by Hadara Lazar for Betselem, deals with the last 2 years (the period of the intifadah). It notes a substantial decline in the income of residents and a rift between residents and Israeli rule. The report treats tax collection methods used in the territories and includes a description of typical cases selected from among the many that were gathered.

The report does not include details of the deductions and payments paid by workers from the territories who work in Israel. It is impossible to obtain information in this regard, writes Hadara Lazar. The following are several excerpts from the report.

### A Description of the Situation Since the Uprising Began

The tax collection system collapsed with the collective resignation of local officials in the civil administration. Israeli workers, most of them lacking training and experience, were then recruited. These workers have contact and dealings with residents whose incomes have declined significantly, who do not usually keep books, and who certainly do not intend to keep books at present. Most of these residents have been engaged in a tax rebellion since the uprising began, and some of them do not pay taxes out of fear of acts of revenge. The work in the field, i.e., the auditing of businesses, implementation, etc., is carried out by tax workers who are assigned military escorts. These workers are tasked with enforcing heretofore unused or new orders. Two new orders, now in effect, are particularly important:

On 17 December 1988, Order 1262 was issued regarding tax collection (auxiliary powers). This order, which makes the granting of permits and services conditional on the payment of taxes is detailed below along with the manner of its application.

On 17 August 1988, Order 1249 was issued regarding a special tax on vehicles according to their value, year of manufacture, etc. Article 10 (a) of this order, nicknamed the "intifadah law" in the territories, stipulates that any

policeman or soldier, who is so authorized, may seize a vehicle if there is suspicion that its owner did not pay this tax.

Tax workers are also tasked with using new collection methods (raids, blockades, and special operations). The use of these orders and regulations, and the imposition of these new collection methods, have created a new situation in which incidents of the type described below occur as a matter of course. These are representative cases, each typifying a certain type of confrontation between the collection system and the residents of the territories. Each case represents one of many such documented and undocumented cases.

### Activities That Are Illegal According to Order 1262

Sometimes the government makes the granting of permits and certifications dependent on the payment of taxes, despite the illegality of such a practice. The case of Ahmad Abu-'Idah from Bethlehem is an example of an illegal activity that is clearly not rare in the territories:

On 5 April 1988, a daughter was born to Abu-'Idah's wife. When he wanted to register her and obtain a birth certificate for her, he was told that he had to obtain the stamps of seven authorities in order to be issued a certificate. When he arrived at the income tax [commission], he was not given the required stamp because he owed taxes. He was assessed 900 shekels, even though he claimed that he was a salaried worker and that his employer deducts taxes from his salary. Later, his wife filled out an identical form in her own name, obtained the stamps of the seven authorities, and was issued a birth certificate. The provision of a birth certificate is not dependent on the payment of taxes according to Order 1262.

### The Payment of a Third Party's Debt as a Condition for Being Rendered Services

Frequently, obtaining a permit or certificate is dependent on the payment of the tax obligation of a third party, as Salah 'At'ut describes in his testimony to Betselem:

On 5 July 1989, Salah Musbah Ibrahim 'At'ut, a resident of the West Bank, entered the West Bank with his wife and five children. He had been living in Saudi Arabia for 14 years and had come to visit his family in al-Birah. When he sought to return to his residence via Amman, he was not given permission to exit because, he was told, his father owed money to the tax authorities. His father, Musbah Ibrahim 'At'ut, had worked for 6 years with the Mifromal Copper Factory in Giv'at Sha'ul. He supplied a certification from his employer at the factory to the effect that all tax deductions had been made each month. The administration did not accept the employer's certification, and 'At'ut was told that he had to pay his father's debt. We did not ascertain whether the debt was justified. Our concern is the son's right to obtain permission to leave without connection to his father's debt. The son was told that he could not receive permission to

leave as long as the debt was not paid. Because his youngest daughter suffers from kidney disease and receives treatment in Saudi Arabia, Salah Musbah Ibrahim 'At'ut paid the sum required of his father, 683.84 shekels, and left the country.

Making a service contingent on the payment of a third party's debt is illegal according to the orders themselves, and it is of course not practiced in Israel.

#### The Confiscation of Identification Cards

The confiscation of identification cards as a way of forcing people to pay their taxes has become a regular, albeit illegal, practice since the uprising began. The confiscation of identification cards comes up repeatedly in cases gathered by us, some of which are detailed below. Because residents of the territories refrain as much as possible from contact with the authorities, it should be estimated that some cases of identification card confiscation did not come to our attention. Identification cards are vital to the residents of the territories, especially under the current circumstances, as demonstrated by the testimony of Talj 'Abdallah Da'ud Swaftah, which was given as a sworn deposition before a lawyer:

1. I hereby declare that I am a resident of the village of Tubas. I am 70 years old. I retired more than 10 years ago, and I have not worked since then.

2. On 3 June 1989, a curfew was imposed on the village. Soldiers came to my house and asked for my son, Fu'ad. Fu'ad lives on the floor above me and was not at home at the time. I told them that Fu'ad was not present.

3. They took my identification card and ordered me to go to the civil administration, where I was asked about my son's location. I answered that he was at work. They told me to return tomorrow.

4. The next day, 4 June 1989, an income tax official told me that my identification card would be returned to me after I brought my son Fu'ad to the office in Janin, because Fu'ad owed money. I answered that I was unwilling to do so, and I told them that they should seek Fu'ad themselves.

5. I was given a movement pass, not an identification card, valid until 10 June 1989.

6. On 12 June 1989, I went to the civil administration in Tubas and requested my identification card. I was told that the official who was authorized to return the card was absent.

7. Today, at 7:30, when I was on my way to a doctor's appointment, I was stopped at an IDF [Israel Defense Forces] roadblock. The soldier requested my identification card....He prohibited me from passing because my pass was no longer valid. The soldier confiscated my pass. I asked that he return it to me, so that I could return to Tubas, but he refused and slapped my face. I returned to Tubas, to the civil administration office. There, they refused my request for the return of my identification card, but they renewed

the pass until 22 June 1989. The following letter was addressed to the bureau of the legal advisor in Judaea and Samaria:

...On 15 May 1989, the identification card of Wasim al-'Aziz Muslih (18, high-school student) was taken from him on the grounds that his father owed income tax. When Wasim approached the civil administration on 16 May 1989 for clarification, he was told by Deputy Adam Dinsqi that he would receive his identification card when he, or his father, or any other person, paid the debt.

Wasim has been without an identification card for almost a month and a half. There is no need to describe the man's situation, a resident of the territories, without an identification card. On 18 June 1989, soldiers arrested him after he was unable to provide soldiers with identification papers after they requested that of him.

For a week, we attempted to speak with Deputy Adam by telephone to request the return of the identification card, but it was impossible to find him. Despite our many messages, he did not take the trouble to contact us.

Only after other contacts with different officials of the administration did Wasim Muslih, accompanied by an Arab Israeli, arrive at the administration office in Ramallah and receive his identification card. The confiscation of an identification card on account of a tax debt is illegal according to the orders themselves, and it is certainly illegal when it is done on account of the obligation of a third party. In the Order Regarding Security Directives, the conditions and limitations pertaining to the confiscation of someone's identification card are explicitly defined, and it is expressly forbidden there to confiscate a card to compel payment of taxes.

Following an appeal to the High Court of Justice made on behalf of residents of the territories by the Society for Citizen Rights, the IDF issued an order that sets the conditions under which an identification card may be confiscated. The order was issued on 25 May 1989 by the commander of the central command. Nonetheless, the confiscation of identification cards, and the subjection of their return to payment of taxes, have continued in violation of Ruling 278/89 of the High Court of Justice and in violation of an order issued by the Army itself. Such means have never been used in Israel.

#### The Confiscation of Vehicle Permits

Sometime after the appeal was submitted to the High Court of Justice regarding the confiscation of identification cards, the confiscation of vehicle permits for non-payment of taxes was begun. This measure was also employed regularly on a wide scale.

There are more than a few cases involving the confiscation of a vehicle permit and an identification card together. One such case is that of Ra'id Farid Ilyas al-Tawil from Bayt Sahur. On 10 August 1989, he parked his car next to his father's shop:

The soldiers came and requested my vehicle permits. I gave them the permits, and they asked me to follow them

to the administration. Two days later, I went to the income tax commission without a vehicle, and was requested there to hand over my identification card. I did so, and was told to bring my vehicle. A week later, I went to the income tax commission without a vehicle. They asked why I did not bring the vehicle. I said that the vehicle belonged to me, and that if my father owed them tax payments, they should request them from him. They refused to give me my identification card. Two days later, I went to the administration. There, I stated that my identification card had been taken from me by the income tax authorities. I was then told that I had to fill out a travel form in order to be issued a new card. I did so, and when I went to the income tax commission to get the form stamped, they ripped up the form and told me that I had to write a letter to the effect that I forgot my identification card at the income tax commission. I wrote the letter. Two days later, I went to be issued a new identification card, and was instead given a summons to go to the officer of the villages, Yosi. I went, and Yosi told me that he had my identification card, but that I would not receive it until my father paid his debt with the income tax authorities. He finally gave me the card on the condition that I present myself at the income tax commission. I did not go, and the vehicle permits are still held by the civil administration.

#### Confiscation of a Vehicle

One of the main pretexts for the large-scale vehicle confiscation we have seen is nonpayment of the uniform tax that is imposed indiscriminately on all cars in the territories. In a letter sent by the Moqed Center for the Defense of the Individual to the civilian Administration in Hebron, an inquiry was made as to why the car of Mahir al-Hajjaji—a teacher, not a taxi owner—was confiscated. An employee of the administration replied in writing on 19 November 1989 as follows: "Regarding your question concerning the subject's vehicle, a uniform tax has been assessed on all vehicles, because it is known that all vehicles in the West Bank transport passengers for money."

#### Tax Assessment Based on the Assessor's Best Judgement

Tax Assessment based on the assessor's best judgement occurs, according to the law, in the absence of reporting. Because most assessee in the territories do not keep books, they are assessed in this way regarding income tax and MBM [expansion unknown]. This process is based on negotiations between the assessee and the tax official. The determination of the assessment is left to the assessment official.

The tools intended to help officials determine assessments do not suit the new reality that has developed in the territories. The calculation prepared by the income tax commission and the tax department does not take into account changes that have occurred since the uprising began. A sharp decline in income, a decline in economic activity, a decline in disposable income, less

consumption of all services and commodities, and a drop in the exchange rate of the Jordanian dinar (for an extended period, dinar values were calculated on the basis of 6 dinars per shekel, when the real exchange rate was 3 shekels per dinar)—all of these factors are not reflected in the calculation.

**Tax scales:** Tax scales were applied in the territories in 1988. According to international law, an occupying authority must maintain the laws of the area under occupation, unless the residents' welfare or public order dictate a change. Because the local law was changed with the application of the new scales, it is appropriate to compare the tax burden of a family with four children under Jordanian law, to the tax burden of a family of four according to the Israeli tax scales that went into effect in 1988.

This comparison, which appears in Annex 17, shows that income tax deductions decreased by 14 percent nominally and by 16.5 percent in real terms between 1987 and 1988. During the same period, tax scales were introduced. The combined effect of these two actions produced a substantial increase in the incidence of taxation in general, and in the taxation of large low-income families in particular.

This change, which harms the less able, and which occurred in 1988 after the intifadah started, can be interpreted as an act of collective punishment. An assessment, which includes taxes after deductions, fines, interest, and linkage, can amount to thousands, tens of thousands, and hundreds of thousands of shekels. In negotiations, compromises are reached according to which 40 to 60 percent of the original assessment is paid. This high rate raises doubts about credibility of the original assessment.

The real issue is not taxation or whether it is carried out for the welfare of the citizens. Even if the welfare of the residents is the purpose, taxation has become, among other things, another method for controlling the residents of the territories in the intifadah period. It has thus ceased to fulfill its purpose. The Government of Israel established the civil administration alongside the military administration to emphasize the separation between the military government, which is based on force, deterrence and punishment, and the civil government, which can be based on a certain level of consent and cooperation.

The collection of taxes definitely belongs to the credit dimension. In the light of data on the surpluses that have accumulated as a result of the collection of taxes during the uprising years, one can say that coercive methods, such as tax collection operations or the imposition of high assessments, are being employed for objectives unrelated to collection. The enlistment of the collection system in the service of the war against the uprising, has taken from the system any grain of legitimacy in the view

of residents of the territories. Thus, the minimum area of agreement between Israeli rule and the residents of the territories regarding civilian goals that are suitable for being developed and defended has been irreparably destroyed.

Any authority given to the tax system is supposed to be used only for the purpose for which it is intended. The use of administrative means for other than their intended purposes corrupts the government, and causes residents—and worse still, officials in positions of authority and power—to treat the government's objectives cynically and disparagingly. In the absence of a legal purpose, the use of the taxation system as a means of coercion has become a political weapon and a weapon of bureaucratic violence.

It is highly doubtful whether this method of coercion is efficient, but there is no doubt that it totally disrupts the lives of residents of the territories. This method, which damages not only the pockets and lifestyle of the residents, but also their honor, produces anger, rebelliousness, and a growing rift between the residents and the authorities. The same taxes that are imposed in Israel democratically have become in the territories, restrictive government laws and destructive tools that changes residents into people who have no one to talk with, nothing to talk about, and nothing to lose.

### Economic Hardship Element of Intifadah

44230121A Tel Aviv YEDI'OT AHARONOT (Financial Supplement) in Hebrew 13 Mar 90 p 5

[Article by David Regev: "Jabalya Waiting for Next Explosion"]

[Text] In the afternoon of 8 December 1987, close to the Erez roadblock in the northern part of the Gaza Strip, an Israeli truck ran over and killed four Gaza residents who were returning home from work in Israel. Three of them lived in the Jabalya refugee camp in north Gaza.

Two days later, after a rumor had spread that the death of the four was allegedly in revenge for the murder of an Israeli citizen in Gaza Strip, the residents of the Jabalya camp rose and began the intifadah, which spread throughout Gaza and later to the West Bank. Hatam al-Sisi (17) of Jabalya was the first fatality of the intifadah.

Many view Jabalya, one of the largest refugee camps in the territories, as the prime instigator and leader of the uprising in the territories, the core of the intifadah. Not for nothing do the camp residents call themselves "people of the revolution." Why did this camp become the spearhead of the uprising? What made its residents lay down their work and daily life and turn out against Israel?

In their recently published book, "Intifadah," Ze'ev Shiff and Ehud Ya'ari wrote that the main motive of the

uprising was Israel's economic oppression of the Palestinians. In the chapter "The Raging Proletariat," the two listed a series of economic reasons that sparked the fire. "The economic oppression imposed in the territories," they wrote, "stemmed from selfishness and evasion of honest competition. The residents of the territories were condemned to being Israel's wood cutters and water carriers. To that was added the economic bureaucracy that robs the citizen of his time." There is nothing new in that for the readers of YEDI'OT AHARONOT and its Financial Supplement, which has devoted ample space to the economic aspect of the intifadah since the beginning of the uprising.

The Jabalya refugee camp, located in the northern part of the Gaza Strip, is a faithful illustration of the idea that the economic situation was responsible for the uprising in the territories. This camp, in which the first spark was struck, is currently inhabited by 56,000 refugees, who in 1948 fled from Yavne, Ashqelon, Ashdod, and even Jaffa and Haifa. The overcrowding there is viewed as one of the worst in the world. The entire camp measures only 1,400 dunam. The size of an average house here is about 50 square meters, and there may be 15 people in the family living in it. How does such overcrowding come into being? The family is usually joined by married children who have nowhere else to live. Because the tiny houses are so close together, it is difficult to drive a car there. Until recently Jabalya was criss-crossed by large streets, but most of them have been blocked for security reasons.

Sewage still streams down open canals along the streets and spills into a large pool. Sanitary conditions are very poor. The birth rate in the camp is one of the highest. Some 5,500 babies were born in the past year alone. The other children, about 27,000 of them, are scattered among educational institutions, including 18 schools. Responsible for the unrest that sparked the fire was not only the terrible overcrowding, but also the living conditions and means of livelihood of the inhabitants.

Until December 1987, some 20,000 camp residents went to work in Israel. They worked particularly in the textile branch, services, and construction. A few stayed and worked in the Gaza Strip itself. Most of the workers returned to the camp on the weekend, having earned approximately 30 shekels a day. They used the money to buy food and clothing. Ahmad Hasan 'Ali (55), owner of a large foodstore in Jabalya, said that, despite the hardship, many camp residents shopped in his store. "Today the situation is more difficult. I can't earn my own bread. Many of my customers have become impoverished, they get flour and sugar from UNRWA [United Nations Relief and Works Agency for Palestine Refugees in the Near East]. The economic situation has worsened," he said.

Immediately after the first awakening from the shock of the intifadah, Israel erected a series of security and economic barriers. Jabalya inhabitants said that those harsh measures will lead to a renewed and even more violent uprising in the future. "If until now people have

been throwing stones, now they may use weapons," said an employed camp resident.

One of the first difficulties that Israel set up was to limit the movement of Gaza residents, including those of Jabalya. They were forced to exchange identity cards, and those who were suspected of hostile activities were issued a green card, which does not allow them to enter Israel. Later came the magnetic cards, which barred many Jabalya people from entering Israel, their main source of work. In addition, thousands went to jail for throwing stones, hundreds were injured, and dozens were killed in riots.

Today, two years later, only 8,000 people from Jabalya go to work, compared to 20,000 before the uprising. Hassan 'Ali, the store owner, said that the Israeli income tax, too, has been adding to the difficulties, and many people closed down their shops.

But not only Israel was responsible for the impoverishment of the camp. Some of the measures decreed by the uprising leaders in the territories contributed to hurting the already bad economic situation of the inhabitants. First, the residents were ordered to go on strike and not to go to work in Israel, something that substantially cut their income. Israeli foremen and contractors, who discovered that Gaza workers could not be relied upon, fired them and replaced them with workers from the West Bank and other foreigners. Arab sources claim that about 1,500 Jabalya residents were thus fired from work in Israel. Hundreds of them went back to work in construction and citrus groves in the Strip for 12 shekels a day, compared to about 40 shekels a day in Israel. A UNRWA official in Jabalya said that 2,200 camp families, which make up about 10,000 people, require food and clothing from the agency.

Business owners were also hurt by the orders of the uprising leaders. Instructions to close down shops after noon seriously impaired trade. In addition, Israeli-made goods were confiscated, and whoever stocked such goods ran the danger of having it confiscated and of being physically attacked. Arab sources claim that many of the 500 stores in the camp closed down because of all the restrictions.

'Ali al-Azzam (46), an Arabic teacher in the camp and father of 12, said he feared that the hard economic situation will have its effect on the children, who will lead the next uprising, which will be far more dangerous. "I get 700 shekels a month, and from that I have to feed 14 people. Oil alone costs 100 shekels a month, and I spend another few hundred on sugar and flour. My children and other children living in this garbage will one day rise and blow up the powder keg that is now filling up," he said.

The rage of the camp residents is not directed only at the "Israeli oppressor," as they put it, but also against the camp's wealthy. "The rich people of Gaza are cut off from what is happening. They sit there with their houses, video, and television, jacuzzis and new cars, and we

hunger for bread. Instead of helping us, they ignore us. The rich people of Riml (a well-to-do neighborhood in Gaza) are getting richer at our expense."

### Israeli Arabs Worried About Immigration

44230121B Tel Aviv 'AL-HAMISHMAR  
in Hebrew 13 Mar 90 p 9

[Article by Qasm Zyyad]

[Text] "I said that the topic of immigration arouses doubts and fears in the Arab sector, especially because of its difficult situation and financial hardships. My statement was not directed at immigration as a central issue, rather it came up in my speech dealing with the Arab authorities," said Umm-al-Fahm Mayor Shaykh Ra'id Salah in reaction to the fury aroused among the government and the Israeli public by a speech he gave at a demonstration of Arab authorities in Haifa, in which he expressed opposition to Jewish immigration and called for a delegation to be sent to the Soviet Union in a bid to stop it.

"All I said was that, while the Arab authorities are in extreme financial difficulties, the government allocates 1.7 billion shekels to absorb 400,000 new immigrants. I did not conceal my fears that the absorption of these immigrants, with everything it involves, may come at the expense of the 800,000-strong Arab population. In my speech in Haifa, which dealt with the crisis of the Arab authorities, I said that there was a proposal to send a delegation to the Soviet Union to have the emigration policy reconsidered. I was not expressing my position, and I was not categorically saying that I was condemning or opposing immigration.

"The talk about immigration and attempts to show a connection between it and the difficulties of the Arab authorities is not something new. I was neither the first nor the only one to see this connection. That had already been stressed in the QOL QORE, published by the Supreme Arab Supervisory Committee, which emphasized the financial and economic linkage between the two issues.

"Moreover," the shaykh added, "it is no secret that there is apprehension about the immigration, not only among Arabs, but also among Jews, among representatives of poor neighborhoods, who fear that the immigration will cause serious unemployment in the country."

There was bitterness in Shaykh Salah's voice. "I don't understand the storm that arose over my speech, while others before me, like MK [Knesset member] Tawfiq Tubi, said two weeks ago, upon his return from the Soviet Union: 'We explained to our Soviet friends that the Jewish issue should be solved in their own country.'"

[AL-HAMISHMAR] As deputy chairman of the National Committee of Heads of Arab Authorities, do

you know of any plan to take specific steps against the immigration, including dispatching a delegation to the Soviet Union?

[Salah] "I can state with absolute certainty and full responsibility that the immigration issue was not on the agenda of the National Committee of Heads of Arab Authorities or of the Supreme Supervisory Committee, but I cannot prophesy what decisions will be taken in the future on this topic."

[AL-HAMISHMAR] Let's assume that in the near future the Arab citizens will get full rights. Will that dispel your fears and doubts concerning the immigration?

[Salah] "I'll tell you frankly, it will not remove our fears. You have to understand that even if the Arabs achieve complete equality, the Arab citizens will not be satisfied as long as the problem of their Palestinian brethren is not solved and as long as the Palestinians live with this painful trauma. So that paving roads and planting public parks will not dispel the pain and the suffering. What will give satisfaction, is a genuine solution to the Palestinian problem so as to ensure the national rights of the Palestinian people."

[AL-HAMISHMAR] Does that mean that there is a connection between apprehension about immigration and the Palestinian-Israeli conflict?

[Salah] "Anyone who tries to ignore this situation is not realistic, a dreamer."

[AL-HAMISHMAR] Do you think that the storm that arose around you may affect your relations with the government?

[Salah] "As far as I am concerned, it will not affect my relations with ministers and governmental institutions. I regret, however, that some of the media distorted my statement, thus misleading Interior Minister Rabbi Arye Der'i, whose great efforts on behalf of the Arab authorities we appreciate. When the strike by the Arab authorities ended we specially emphasized that we appreciate his honesty, because he is the first minister who worked to achieve real equality. I am also sorry about the offensive remarks of Minister Olmert, who is in charge of the affairs of the Arab population."

"I am sorry about the imaginary storm around me, which was unfounded, because in all honesty and logic, I should have been asked before being judged and sentenced."

[AL-HAMISHMAR] Did you explain your position to them?

[Salah] "When I heard the reaction of the interior minister, I sent him a cable thoroughly explaining my stand. I stressed that my statement had been taken out of context. I informed Minister Der'i of my willingness to meet with him, together with the chairman of the National Committee of Heads of Arab Authorities,

Ibrahim Nimr al-Husayn, for a personal discussion to clarify the immigration issue."

[AL-HAMISHMAR] What has to be done to preserve the status quo between Jews and Arabs and to improve relations?

[Salah] "The ideal way to improve these relations is to implement slogans and permit them to become a reality. For example, the president's initiative to establish an interministry committee for the development of the Arab sector is proof of the neglect and discrimination of the Arab sector. To my mind, when Israeli Arabs experience equal values and opportunity, then hard feelings will be overcome and a good atmosphere will be created for a life together."

[AL-HAMISHMAR] There are sensitive areas in the relations between the two nations, a by-product of the lengthy Israeli-Palestinian conflict. How would you advise them to tackle those areas?

[Salah] "This reminds me of a famous proverb: You can take a horse to water, but you can't make him drink.... You cannot make a man disown his feelings, because that would be tantamount to making him lose his humanity. Consequently, the Israeli leadership must comprehend once and for all that there must be an end to the disasters plaguing the lives of both nations, and that this can be done only through a just solution to the conflict."

#### Debate Continues on Immigration Censorship

44230119F Tel Aviv DAVAR in Hebrew 8 Mar 90 p 7

[Text] Capitulation to the rash decision to again censure news about immigration is bringing the Israeli press to its knees. The protest by Press Association Chairman Yig'al Lev is not enough. Nor is the dissatisfaction that arose the day before yesterday from discussions held by the Editors Committee. It is difficult to accept surrender in the face of the unconvincing arguments for waving the flag of censorship over the airports at Lod, Budapest, Bucharest, Helsinki, and other cities. Jurist Moshe Negbi suggested this week that the press take issue with the Knesset foreign affairs and defense committee and go so far as to seek a ruling from the High Court of Justice that would set the limits imposed by security on immigration. What is there to lose here aside from freedom of the press?

In Shamir's bureau, where the decision was made, it is known that the condition for the full application of censorship is an agreement with the press. A law is a law, but the enforcement of a given law depends on the law not being circumvented. Citing the foreign press is only one tool for conveying information to the Israeli reader. Yesterday, the hooters made their first attempt: Under the headline "Negotiations to Move Immigrants by Ships via Odessa Port," YEDI'OT AHARONOT released to its readers, from Washington, what newspaper readers in Israel have already known for several

weeks. At a press conference held by leaders of the United Jewish Appeal, a spokesman for the organization, Refael Rothstein, reported that negotiations are being conducted to use ships to transfer some of the immigrants from the Black Sea port city to Israel. This item was signed by a reporter of the Associated Press news agency—and this is only the beginning.

Early this week, Government Press Bureau Director Yosi Olmert, on the advice of Avi Pazner, the prime minister's media advisor, called newspaper editorial boards in an unconvincing attempt to explain the urgency of enforcing military censorship regulations and to ward off dissatisfaction, which only the prime minister lacks at present, with the political explanation for the new measure. However, playing the security chords does not produce an unstoppable melody.

Olmert stated that "there has been an accumulation of threats and signs that are endangering immigration. Shamir consequently became convinced of the need to activate a 1968 order that prohibits publication of matters dealing with immigration from countries where Jews are in distress." Under this order, it is virtually forbidden to report on immigration from such countries. Now, 6 months after the great immigration wave began inundating the Israeli and foreign press, someone remembers to add the Soviet Union to the group of "countries of distress." This backward hand-spring regarding publication policy that was carried out by Shamir's acrobats was presented, not God forbid in a document or a letter with prior coordination, but in a short message issued by the censor, by telephone, to the editorial boards of the newspapers last Wednesday evening. "Anything related to current immigration figures, forecasts, immigration routes, transportation means and their protection, and the bodies and people dealing with immigration must be submitted to the censor as of now." Period.

Military censorship of political topics is not new, but the activation of military censorship to muzzle information that comes directly from the mouths of ministers, the prime minister, senior officials, and the highest levels is puzzling. To date, monthly immigration figures, estimations of hundreds of thousands of expected immigrants, and news of negotiations to expand sea, land, and air exit routes, have not been withheld from us. Why has a curtain of secrecy now fallen on what was until now the boon of facsimile machines? "The accumulation of threats and signs"? True, no one is interested in being responsible for terror acts against the immigrants. Such acts did occur in the past. In September 1973, terrorists seized a train of immigrants headed from Czechoslovakia to the Schienhau Transit Camp in Austria. The train engineer was injured and the Austrians announced the closure of the border to immigrants. Ultimately, the borders were reopened to them, but this is not the point. No Israeli press publications preceded the attack against the train, which nonetheless occurred despite the Israeli censorship of news of the passage of immigrants through Schienhau.

Last week, foreign news agencies reported that a PLO representative in Helsinki announced that contacts were being held with Finnish authorities to bring Jews out of the Soviet Union via Finland. Indeed, in recent weeks, there were publications in Israel regarding the possibility of the exodus of immigrants through Finland. The prime minister's bureau connected the PLO announcement to publications in Israel. Can they convince us that the intelligence work of hostile elements is attributed to announcements made by Ida Nudel?

It seems that the censor's nakedness was uncovered unintentionally by none other than Immigration Minister Rabbi Yitzhaq Peretz, who on entering the VIP lounge at Ben-Gurion Airport, praised the prime minister for his decision to censure current and predicted immigration figures. Peretz stated: Whoever disseminated the forecast of 230,000 immigrants was seeking a headline in the newspaper, and I maintain that only 100,000 will come. Peretz thus proved that it is possible to praise the censor and contravene its orders in the same breath. As of now, one is required to submit to the censor remarks made by senior officials and ministers. Arguing over estimates will not help.

Peretz-of-the-estimates indeed hastened the decision of the prime minister, who had been seeking to curb leaks and conflicts that had broken out in governmental bodies concerned with immigration. However, Minister Peretz would do well to ask himself who else will benefit from the muzzling of information. Would the Housing Ministry perhaps be spared criticism for its glaring inaction regarding housing construction for the new immigrants? Perhaps also the Immigration Ministry? This ministry is operating with relative efficiency in the meantime, but officials in it openly fear the forecasts of the "senior official" coming true. The activation of censorship regulations is a two-edged sword that will damage the work of the government no less than the credibility of press reporting. However, the government is apparently not concerned about being damaged, provided that no one knows about it.

#### 'Palestinization' of Churches Examined

90AE0027B Tel Aviv HA'IR  
in Hebrew 20 Apr 90 pp 10-11

[Article by Nadav Ha'etzani]

[Text] Last Thursday, Greek Orthodox Archbishop Deodorus I was caught in an unpleasant situation. About 200 Muslim youth, masked, broke into the Patriarchate building in the Old City in the afternoon. They grabbed the archbishop and his guest, the Armenian Patriarch, forced them to leave the reception room to a side room, and yelled at them: "Traitors, you have sold our property." Crowds were pounding on the door and the two patriarchs thought they had breathed their last. The blood returned to their faces only after the police were alerted.

The furious youth were of course referring to the sale of the famous building in the Christian Quarter to Jews. They did not believe the denials of the patriarch and his colleagues, and were convinced that they had been a party in the plot. Shortly prior to that, Patriarch Deodorus and his aides went to the location of the house in Moristan Square. But the heroic effort of the church secretary, Bishop Timotheus, to take down the Star of David that had been placed on the door, and even the patriarch's dramatic fall failed to convince. The young men accused the Patriarchate of selling out. And actually, there was something illogical and inconsistent in the Patriarchate's behavior.

Under the watchful eye of Faysal al-Husayni and Sari Nusaybah, the Greek Patriarch exhibited Palestinian pride. During the week he even made a series of energetic statements in this connection. However, who knows better than the masked men about the motives of the pleasure-seeking patriarch, and who knows better than the young men that at private talks with representatives of the Israeli administration, the Christian notables sang an entirely different tune. At a meeting with the minister of religious affairs, Zevulun Hammer, for example, the Patriarch denied Greek press reports that he was allegedly opposed to Greek recognition of Israel. "My statement was distorted," Deodorus unsurprisingly declared, "you know that we support Israel, without you we wouldn't be here at all."

In more relaxed circumstances one would have raised an eyebrow at the nationalistic Palestinian nuance that the Patriarchate's representatives chose to impart to the affair of the building in the Christian Quarter. The dozens of Muslim girls brought to the site shouted: "One people," meaning, Christians and Muslims on one front in the intifadah. But what do Greek Orthodox priests have to do with the Palestinian struggle? If they already want to struggle, they should struggle against the church authorities that jealously bar the access of every Palestinian priest to high-ranking positions. The intifadah is only part of the answer, only a catalyst. The process actually began long before that, and consisted mainly of the Arabization and Palestinization of the churches with a view to enlisting the international Christian establishment in the struggle against Israel.

The square in front of the house in the Moristan Souq, close to the Church of the Tomb, has become a media center suitable for broadcasting to the world continual demonstrations almost live. Various Palestinian activists are busy providing events for the television reporters and teams at least once a day. Last Thursday, Faysal al-Husayni and Sari Nusaybah took a stand behind the furious Patriarch. Later, the deputy mufti of Jerusalem, Shaykh al-Jamal, arrived and took the Patriarch's arm in front of the cameras.

As of Saturday, a group led by the brothers Daud and Jonathan Kuttab worked to organize a protest shift in front of the house every day between 1500 and 1700. Then they brought a few placards and seven activists,

most of them Christians, thus demonstrating that the struggle was continuing. On the eve of the holiday they brought in Peace Now and on Tuesday they prepared a surprise for Minister Hammer who was visiting the Patriarchate. Several dozen boys and girls, brought to the place with the knowledge of the monks, shouted: "PLO, Israel No." The culminating point came when the Patriarch himself talked to the children about the occupation.

The process of Palestinization of the churches began long before the intifadah. Yisra'el Lipel, former director general of the Ministry of Religious Affairs, who is now the head of an institute for religious studies, said: "Throughout the Middle East there has for years been a process of Arabization of the Church. Here it began about five or seven years after 1967. It must be realized that the churches were caught in a very uncomfortable situation. They are active in an area populated mostly by Arabs and most of their flocks are Arabs. The Jews are for the first time in history in charge of the holy places, and they are in the middle. Since the beginning of the intifadah, the Palestinians discovered that they can use the Christians against us. The involvement of the Christians was designed to impress upon the world that the Jews were trying to Judaize the Christian holy places."

Since the beginning of the intifadah, its leaders succeeded in enlisting church leaders several times for their objectives. One of the most prominent examples was the patriarchal delegation which six months ago joined the tax rebellion of Bayt Sahur as a sign of identity. Greek Orthodox Patriarch Deodorus I played a major role then, too, in view of the fact that most of the inhabitants of Bayt Sahur were members of his community. The fact that patriarchs were stopped at roadblocks and that they voiced their protests into the microphones of the world, did not help our public relations, to say the least.

Various patriarchs participated in several Christian-Muslim protest and identity meetings, such as, for example, after the burning of the mosque in the village of Burin in Samaria. Although it was proven that the fire was caused by negligence, East Jerusalem activists insisted on a meeting between Mufti al-'Alami and Deodorus. The latter joined those who were blaming the fire on the settlers and the authorities.

In the past two and a half years the Christian communities were compelled to adapt to the spirit of the times, and not always of their own free will. Thus, for example, all the Christmas festivities—scouts' marches, church choirs, the famous cocktail party in Bethlehem, to which the heads of the Israeli administration were always invited—were cancelled. Even the Santa Claus tradition has been frozen since the outbreak of the intifadah. In the first year the festivities in Bethlehem were cancelled due to threats. Later they ceased because of the events. In parallel, prayers for the success of the intifadah began to be heard in church every Sunday. By the way, in recent years, most of the churches have been holding mass in Arabic, rather than Latin.

But the stubborn attempt to demonstrate Christian-Muslim solidarity and to involve the Christian institutions in the struggle is not managing to conceal the chasm of mutual hostility and suspicion. Since the news that Jews had moved into the house in the Christian Quarter, rumors spread through East Jerusalem that the Patriarchate had something to do with the sale. The rumors gained momentum when it became known that people connected with the church had known for years about the intention of the Armenian businessman, Marossian, to sell his right to the Jews. It also became clear that the evacuation of the tenants took months, which means that the whole thing could not have happened without the knowledge of the church leaders. Consequently, the church leaders had no alternative but to demonstrate national solidarity.

As far as it is known, the ugly rumors were responsible for the cancellation of a Muslim demonstration of solidarity with the Patriarchate, which had been planned for last Friday, after prayers, on the Temple Mount. An additional demonstration of identity, which had been scheduled and cancelled, was a procession by all the foreign consuls to the building in the Moristan Square. Their intention was to show that they identify with the Christian-Palestinian side, but the Christian community remembered only too well the sharp Muslim reactions to the demonstration of identity staged by the foreign consuls in support of Bayt Sahur. "Where were you while people were being killed in Duhaysha and Balatah?" a Hamas [Islamic Resistance Movement] leaflet asked in Bethlehem. "You rush to come and pour out money only when Christians are involved." This was perhaps the sharpest leaflet circulated so far against Christians.

Church leaders and the Christian community have so far chosen to remain silent about the fact that since the beginning of the intifadah there has been a frightening wave of attacks on monasteries. In recent months the attacks occurred mostly in the Bethlehem area. The Baptist Church in that city has become almost a fortified stronghold, after several attacks with Molotov cocktails and stones. Last Christmas the local priest, Na'im Huri, was threatened that if he didn't remove the Christmas tree, they would break in and do so themselves.

Similar attacks were staged at the Carmelite Monastery. Youths from neighboring refugee camps broke the monastery fence, smeared on its walls "Eternal Islam" slogans, hung a PLO flag on the cross and stuck a weight to it to keep it in place. A similar scene was recently discovered at the Latin Church in Gaza. So far the Christian establishment has put up with these humiliations quietly. Official Israeli representatives who approached people like Latin Patriarch Michel Sabah in this connection were given evasive answers.

The Christian institutions in Israel are not all hewn from the same wood. They can be divided into three major currents according to the degree of hostility toward Israel. The most hostile group is that led by Palestinian Church leaders like the Lutherans, Anglicans, Latins,

and Greek Catholic. Particularly prominent among them are three Church leaders: Michel Sabah, the head of the Latin Church; Samir Kafaiti, the head of the Anglican Church, and the Greek Catholic Patriarch Lutfi Lahim, originally from Syria, who is viewed as having the closest ties with George Habash's Popular Front. By the way, Lahim is the successor of Hilarion Capucci, who was caught smuggling explosives in his car. The three are known as enthusiastic supporters of the intifadah. Under their influence, the Middle East Church Council recently announced that it stands behind the uprising of the Palestinian people.

The second is the adaptable group, which includes the representatives of the oldest churches in Israel, such as the Greek Orthodox, Armenians, and Syrian Orthodox. Their top leadership is not made up of Palestinians. The most salient feature of this group is their effort to survive as well as possible under every government.

The third group is made up of Western churches, such as the German Lutherans, the Baptists, and the Franciscans. Because they are small and don't have Arab faithful, they can behave freely toward Israel, and at times very friendly. In Israel there are 140,000 Christians in all, 14,000 of whom live in Jerusalem. Within the Green Line the majority are Greek Catholics, while in Judea and Samaria the majority are Greek Orthodox. The Christians make up no more than 40 percent of the population of Judea, Samaria, and Gaza.

The stars of the present drama, the heads of the Greek Orthodox Church, always bent in the direction of the wind; once toward Israel, once to the other side, depending on who the dominant party was at a given moment. The affair of the building in Moristan Square is problematic and difficult to dispel, because in the past the Church did sell many assets to Jews: the Gan Hapa'amon land in Jerusalem, Mitham Niqofya near the King David Hotel, and others. The leaders have recently been in contact with various entrepreneurs interested in purchasing church land on the eastern border of Jerusalem—the Mar Eli'as land. The fact that the church leaders keep their distance from nationalistic Palestinian tendencies is not a secret. The Greek Orthodox are very careful that none of the Arab priests infiltrate the upper echelons. That is the reason that they are forced to pay lip service to the Palestinian cause, at the most.

The present patriarch, Deodorus, was appointed in 1981, after a tortuous struggle rife with scheming. As it turned out, Israeli officials, or more precisely Rafi Levi, who at the time was in charge of the district, contributed more than a little to his election. At the time Deodorus served as Patriarch of Jordan, and his chances of being appointed here seemed insignificant.

An examination of the public and classified material in Rafi Levi's trial revealed an interesting involvement of Greek Orthodox officials in his shady affairs. Deodorus' name was one of them. Another unpleasant episode in which he became mixed up occurred in February 1987.

While he was crossing the bridge from Jordan to Israel, his black Mercedes was searched and 4.5 kg of heroin and 3 kg of gold were found in it. Deodorus was officially cleared after quiet police investigations, but the stigma remained attached to his name. The Palestinians are also aware of it. The great wealth of the church and its fleet of Mercedes serve to reinforce rumors of corruption, mistresses, and crime.

The members of the Christian minority in Judaea, Samaria, and Gaza have for a long time felt threatened. They are compelled to continuously show that their patriotism is no weaker than the Muslims'. At the beginning of the intifadah, the Christians were placed in an awkward position. While reports of Palestinian dead and injured were pouring in from every side, there was not one Christian among them. Nevertheless, in the end the intifadah contributed to bridging the old gap between Christians and Muslims.

Christian activists contributed considerably to mapping out the direction of the intifadah at its beginning. University lecturers, especially at Bi'r-Zayt, are generally seen as the brains of the intifadah. Like the Bethlehem University, Bi'r-Zayt is a Christian institution. Both were founded by Christians and are governed by them. Lecturers like Dr. Yosef Shehade wrote many of the intifadah leaflets and contributed many ideas. In point of fact, the Christian minority, which is better educated and more western-oriented than the Muslims, contributed to the leadership of the uprising in two areas: the nonviolent civil rebellion and the offensive in the international arena.

The fact that the model of the civil rebellion, which was partially adopted in various circumstances, actually prospered in the Christian town of Bayt Sahur was not incidental. The ideologue of the Palestinian civil rebellion, Dr. Mubarak 'Awwad, who was deported from Israel, is a Christian. Before being deported he managed to spread his ideas among many Palestinian leaders and among the masses.

Another Christian, Dr. Jadd Yitzhaq, a Bethlehem University lecturer, came up with the idea of the Regional Popular Committees and established their first infrastructure. He even began to preach in favor of building an independent economy, with a view to improving the Palestinians' economic resistance to the occupation. Christian intellectuals are responsible for the sophisticated aspects of the intifadah.

The second major contribution of the Christian activists stemmed from their good relations with members of foreign consulates in East Jerusalem. Christians like Hanna Sinyurah, Kuttab, 'Awwad, and others are in daily contact with foreign consuls, who facilitate their access to policy makers and public opinion in their countries.

Today, however, two and a half years later, it is becoming increasingly clear that the joy was premature. The greatest problem is the impressive upsurge of

Hamas. One of the areas in which Hamas is engaging in the most extreme actions is Bethlehem, which has a Christian majority. That is precisely where Hamas, in cooperation with the Popular Front, is managing to enforce strikes against the orders of the Unified Command. The town's Christian residents remember all too well the saying whispered in their ears before the 6-Day war: "On Saturday we'll finish off the Jews, and on Monday it will be your turn."

Bethlehem Deputy Mayor Hanna Nasir said: "The Christians are as loyal to the national issue as any other Palestinian. We have equal rights in the intifadah, and we paid for them in proportion to our numbers among the population. But what is making the situation worse is Hamas, which in the beginning was encouraged by the Israeli General Security Service. The present political events are fostering fundamentalism. Hamas' ideas are rejected by most of the population, but I fear that their power is no weaker than was revealed in Jordan, and they are continuously growing. It is a big problem, it is a disaster for us."

The objective hardships of the intifadah recently accentuated the Christians' tendency to emigrate. There are no general emigration figures available, but in areas with a large Christian population—Bethlehem, Bayt Jalla, Jerusalem, and Ramallah—one cannot help but hear of attempts to emigrate to Canada, the United States, etc. The emigrants have come to a final conclusion: The future in the Holy Land is behind us. In view of these circumstances, it is easy to understand the dual and triple game played by the Greek Orthodox.

It has been claimed that official Israel is behaving in a strange manner. Lipel: "The Israeli Government is evincing criminal negligence in the matter of the Christian communities. The importance of this issue is ignored, low-ranking functionaries are dispatched to talk to the patriarchs, and church officials are unnecessarily bothered with technicalities. People don't understand the importance of the Christian communities as a gate to the international community. This is a tinder box that could be turned into a magic pearl to be used most effectively."

#### Trade Deficit Increasing

44230127D Tel Aviv *YEDI'OT AHARONOT*  
in Hebrew 9 Apr 90 p 3

[Article by Gad Le'or]

[Text] The hopes and the promises of an improvement in Israel's trade balance are again dissipating. Figures published yesterday by the Central Bureau of Statistics indicate that Israel's trade deficit in the first quarter of 1990 totalled \$672 million, compared to "only" \$603 million in the same period last year, which is an increase of 11 percent since the start of 1990. Thus, the improvement in the balance, which was also expected by outgoing Finance Minister Shim'on Peres, again, did not come.

The data published yesterday indicate that imports to Israel totalled about \$3.5 billion in the first quarter of the year, which is 9 percent more than in the same period last year. By contrast, imports since January totalled only \$2.8 billion, which is also a 9-percent increase compared to the first quarter of 1989.

In March alone, Israel's trade deficit totaled \$168 million, with imports totalling \$1.194 billion and exports totalling \$1.026 billion.

In February and March 1990, Israel's trade deficit totalled a monthly average of \$246 million, which is a 6.5-percent increase compared to the previous 2 months. The increase in the deficit stems from the stabilization of exports, despite the many efforts made to raise the export figure by increasing export profitability. Exports totalled a bi-monthly average of only \$646 million. In the same period, there was a slight increase in imports, which recorded a bimonthly average of \$891 million.

The Industry and Commerce Ministry reported yesterday that the industrial export volume, excluding diamonds, in the first quarter of 1990 totalled \$1.750 billion, an 8-percent increase compared to the first quarter of 1989, which is a low rate compared to the 11-percent annual expansion rate in 1989; this, despite the continued strengthening of European currencies, which boosted the value of goods sold to Europe in dollar terms.

In the first quarter of 1990, the average monthly level of industrial exports totalled \$600 million, as was the case in the second half of 1989.

#### Banks Preparing for European Unification

44230121C Tel Aviv HA'ARETZ  
in Hebrew 14 Mar 90 p C1

[Article by Yehuda Sharoni]

[Text] Bank Hapo'alim reported yesterday that the bank management and its board decided to considerably expand the bank's activities abroad, within the framework of preparations for the 1992 European unification. The bank is about to open a subsidiary company in Luxembourg and set up representation in Europe. The management is examining the tax aspects involved in concentrating all European operations in a holding company working out of the Netherlands.

Similarly, the bank intends to open a branch in Geneva, in addition to the one currently in existence in Zurich, as well as an additional branch in Canada.

Avi Olshansky, joint director general in charge of the international division, reported that the establishment of a subsidiary in Luxembourg is designed to permit the bank to conduct a variety of banking business with all the Common Market countries and to open branches in those countries without the need to secure a permit.

According to him, Luxembourg was chosen because of its easy laws and relatively low initial costs. The bank currently has two branches in that country, one of which will become a subsidiary banking company.

The Luxembourg center will also facilitate Israeli foreign trade with the countries of the European Community in anticipation of 1992. Also, bank sources believe that the subsidiary will make it possible to increase the bank's business with East European countries.

The bank's representation in West Germany will work out of Frankfurt on developing business with East Europe, enlisting investors for Israel, and reaching new customers. Frankfurt is considered an international financial center and most banks are represented there.

Olshansky reported that, although Israel is far from becoming an international financial center, continued liberalization in the area of foreign currency and less central supervision may help Israel become such a center, as well as a bridgehead that will attract investors from Europe and the United States. This bridgehead, he continued, will be provided by the Israeli banking system.

Olshansky then revealed that Bank Hapo'alim recently increased the scope of its investments in stock and other financial instruments in foreign stock exchanges, because of the surplus liquidity achieved from long-term financial sources.

According to him, the overall bank investments abroad currently come to about \$5 billion.

#### Jewish Settlement Within Old City Explored

90AE0027A Tel Aviv MA'ARIV  
in Hebrew 20 Apr 90 p B3

[Article by Hanan Shla'in]

[Text] The Jewish settlers who went to live last week in St. John's Hospice, in the heart of the Christian quarter in the walled city, cannot understand what the big fuss is all about. "We are merely guests here. The building belongs to the Panamanian company SBC," they said.

The Christian and Muslim store owners in the Moristan Suq close by also don't care who lives one floor above them. The new tenants don't bother them for the time being. They are troubled more by the presence of policemen and roadblocks, which chase away customers.

But the international turmoil created around the move of Jewish settlers into a building belonging to the Greek-Orthodox Patriarchate drew to the spot many Arabs from the Old City and other places. Their view is clear: "We should have hung the first Arab who sold a house to Jews."

Rabbi Benny Alon of the St. John settlers' propaganda team knows that he and his colleagues touched a sensitive nerve among the Arab public. However, according

to him, settling in Jerusalem is one of the three points on which there is national consensus. The slogan, "What matters is not what the Gentiles think, but what the Jews do," has triumphed once again.

This is not the first case of Jews going into areas of the Old City other than the Jewish Quarter. And thus, despite the media turmoil, Jewish residents of the Muslim Quarter continue to lead their daily lives. Ya'akov Guri, 7, who came back with a bag of groceries from Perlman's store in the Jewish Quarter, said: "Now I have many Jewish friends here. Shama'i Berko, the neighbor across the road, and friends from the Galicia Court." The Guri family has been living for nine years in the Bayt Re'ut building in the Muslim Quarter. Ya'akov made his way from the Jewish Quarter through the Painters' Suq, escorted by Dror and Amir.

Tami and Danny Guri live in a well cared for three-story house. At the time they moved in, the house looked like a stable. Tami said: "The first time my husband brought me here to see the house I almost fainted. It was terrible: there was a hole for a toilet, power lines were hanging loose, and the sewer pipes were exposed. So I said I would bring my father to see it. He came in and said, 'I like it.'"

The Wassertal family lives nearby. This is their third house in the Muslim Quarter. Before this they lived in Ma'ale Haldiya and near the Flowers Gate. Mickey, the husband, is a member of the management of the 'Ateret Kohanim Yeshiva, which is actively involved in all the turmoil surrounding Arab-Jewish relations in the Walled City.

Currently more than 30 Jewish families live in the Muslim Quarter, and 7-year-old Ya'akov now has more than a few friends. "Once I had a friend, an Arab boy who lived near here. I used to go to his house, but he never came to mine. I had some other Arab friends farther up the street," he said, pointing to the narrow alley off the Perfume Suq.

Tami, the mother, said that now there were enough Jewish children in the Muslim Quarter. Whenever necessary, Ya'akov goes, accompanied, to see his friends in the Galicia Court, on the border of the Jewish Quarter. "We now have 'correct' relations with the neighbors. Before the intifadah relations were warmer, and they sometimes came in for coffee."

'Ateret Kohanim and 'Atra Leyoshna are the two leagues behind the Jewish settlement campaign in the Muslim Quarter. 'Ateret Kohanim was also involved in last week's settlement in the heart of the Christian Quarter, 20 meters from the Church of the Tomb. In the past, before splitting, their members worked together within 'Atra Leyoshna.

This association was established in 1979 by the Sephardi Chief Rabbi, Rabbi Mordekhay Elihu together with Rabbi Simha Hakohen Cook, Rabbi David Nebenzal, Rabbi Moshe Segal, Attorney Shabtay Zakharia, and

others. Its members hoped to restore a Jewish presence in the Muslim Quarter. They redeemed Jewish houses which had been abandoned after the riots of 1936 and occupied by Arab families. Most of those houses are located close to Abu-Shuqri's restaurant. According to them, there was no conflict between them and the departing Arabs. In some cases the Arabs agreed with the association's claims. In point of fact, they had been left to take care of the buildings by the Jewish neighbors who were forced to leave.

Except for one case, Arabs destroyed the inside of the houses they were supposed to watch over. At the Rand building, which today houses the 'Ateret Kohanim Yeshiva, the keys to the synagogue were handed to an Arab resident. At the time, the Torat Hayim Yeshiva was there. The watchman leased the yeshiva rooms, except for the library and the synagogue room. The original books and furniture were stored in a small room, and replaced by furniture he brought in. After the 6-Day War, he returned the key to a member of the Vinograd family, which founded the yeshiva in 1886.

After the 6-Day war, a woman who used to live there in her childhood arrived. The Arab woman who lived there was furious: "What's this, every Jew who comes here says he used to live here. The woman who lived here was called Tziporah." The visitor answered excitedly, "I am Tziporah."

The activities of the 'Atra Leyoshna Association are surrounded by great secrecy. Yehoshu'a Alpert, who is now the deputy chairman of the league, said that "Secret negotiations are held between the sides for each purchase. The departing tenants are generously compensated, and some of them even leave the country."

After the Jewish houses close to the Jewish Quarters were redeemed, a conflict appeared among the league members, which led to the formation of the 'Ateret Kohanim Yeshiva under Rabbi Shlomo Aviner. Among other things, 'Ateret Kohanim is employed in acquiring and settling buildings outside the Jewish Quarter. Me'ir Ben-Dov, the archeologist in charge of the dig near the Temple Mount, said he heard that their activities are not limited to the Old City inside the walls, and that its members intend to purchase several houses in David's City. During a discussion he had with a senior Housing Ministry source involved in the restoration of the Jewish Quarter, Ben-Dov told him about that plan. The ministry employee said: "You're telling me? The money comes from me."

On the roof of the Gurus' house in the heart of the Muslim Quarter, Rabbi Alon said: "We are trying to create a direct line, as the crow flies, along the entire quarter, from the Flowers Gate to the Jewish Quarter." The neighboring roof belongs to the Wassertal family. Along the same line toward the Jewish Quarter, Israeli flags can be seen on several other rounded roofs, under which Jews already live. "The distance from here to the Galicia Court is only a few roofs," he said.

This campaign has been going on for several years. "Matti, Dan, and Yosi Kohen came to the yeshiva after having served in the Hesder yeshivas. They mobilized a group of activists around them which specialized in purchasing buildings that had belonged to Jews throughout the Old City and returning them to Jewish hands. The group was not made up only of religious people. They began to spread to the Muslim Quarter. So far, the Jews have purchased Bayt Mugrabin, Galicia Court, Diskin Court, Warsaw Court, Bayt Hazon, and more than a few private homes."

From the Re'ut House, the home of Tami and Danny Guri, one walks through the Butchers' Suq, on the border of the Christian Quarter, toward the Diskin Court, the home of Daniel Robbins, another member of the 'Atra Leyoshna league, who was stabbed in the back two weeks ago while on his way to the grocery store in the Jewish Quarter with his son Yishay. Access to Diskin Court is through Ma'ale Sraya. At the entrance on the left of the stairs lives Rafiqah Salam. A few steps lead down to her home. Elderly Rafiqah lives alone. During Ramadan she goes to her brother, who lives nearby. The settlers say relations among the neighbors are good.

The Diskin Court, too, was acquired by 'Atra Leyoshna. "It was the court of Maharal [religious title] Diskin; it was abandoned after the riots of 1936, and the locals took it over. In early 1981 a process began to restore it to Jewish owners. We paid considerable sums in compensation to those who left," Yehoshu'a Alpert said. Before the Jews moved in, Rafiqah moved into one of the houses. Today there is an eviction order against her, issued at the request of 'Atra Leyoshna.

From the Diskin Court one goes down the steps to Bayt Hama'aravim in Ma'ale Haldiya. This is the first house that the Jews acquired, and its purchase signaled the beginning of the upsurge to settle Jews in the Muslim Quarter. The "Hayey 'Olam" Court is located across the road (two buildings which were built in three stages, beginning in 1886, by Polish Jews).

Bayt Hazon is located in Ma'ale Hebron. Across from it is Bayt Reisin, and through it one enters the Galicia Court. The house was built by Jews and was also abandoned after the 1936 riots. Baruh Te'ena arrived here nine years ago. Five families lived there in the beginning and renovated it. The Hebrew letters which served as house numbers were left on the lintel. Coming out of Galicia Court toward the roofs over the Christian Suq, one passes by a roof-top playground. The Dome of the Rock looks close enough to touch. Another few domes make the connection to the roof of the houses on Habad Street in the Jewish Quarter.

Looking toward the west one can see the roof of the St. John building near the Redemption Church, in the heart of the Christian Quarter.

### Commentator Denies Relaxation of Intifadah

44230119G Tel Aviv HA'ARETZ  
in Hebrew 9 Mar 90 p 1B

[Commentary by Ze'ev Schiff]

[Text] The attempt to make the public feel that the uprising in the territories is coming to an end is incorrect. In recent weeks, there has indeed been a decline in the number of Arabs killed by the gunfire of IDF [Israel Defense Forces] soldiers, but a close examination of the numbers and the facts indicates that there is activity bubbling under the surface, activity that is liable to intensify if there is no progress in the political process.

Recently gathered statistics pertaining to 1989, which have been analyzed from different standpoints, testify to an increase in the number of attacks in the territories. Attacks include firing, the use of explosive devices, arson, stabbing incidents, and the tossing of gasoline bombs. In 1988, there were 7.9 attacks per day. In 1989, the daily average increased to 8.9 attacks. The tossing of gasoline bombs in fact declined, but the total number of attacks rose by more than 10 percent.

The IDF did manage to reduce neither stone-throwing incidents nor confrontations with Army patrols. The number of such incidents in the West Bank alone totals 150 per day. All of this is happening despite the IDF's success in recent months in gaining the initiative in several areas.

About 60,000 Palestinians have passed through Israeli prisons. The inevitable conclusion is that the intifadah still has surprising powers of renewal. The Palestinian public suffers, but it has sufficient motivation to continue the uprising. The Palestinian public feels that its sacrifices are worthwhile.

We frequently speak of the great gain represented by the almost complete cessation of large demonstrations in the territories. However, we should not conclude from this that the uprising is being carried out by a minority. The Palestinian uprising has all the marks of a popular struggle. Fortunately for Israel, a substantial amount of the energy of those involved in the uprising is directed inward, between Palestinians and Palestinians. The number Palestinian against Palestinian attacks rose from 646 in 1988 to 1,058 in 1989. One-hundred and thirty-five Palestinians defined as collaborators were killed and another 400 were injured in 1989 (many others were added in the last 2 months), compared to 16 killed and 90 injured in the first year of the intifadah. Firearms were three times more prevalent in intra-Palestinian violence last year compared to the previous year.

Despite all of these factors, Israel paid much more in 1989 in terms of its own victims compared to the first year of the uprising: 32 killed compared to 13. The increase stems mainly from suicide operations, such as the incident in which a bus bound for Jerusalem was steered off a precipice by a Gazan Arab who grabbed the steering wheel. The revenge acts of persons acting alone

are more dangerous and are liable to become more widespread because of the increase in the number of Palestinians seeking personal revenge against Israel. The Israeli public does not sufficiently understand the effect of hundreds of killed, including dozens of children, and some 15,000 wounded on the Palestinians' desire to seek revenge.

We should also note two other phenomena that indicate a worsening of the uprising. One is the growing power in the territories of the Islamic resistance movement, Hamas. This extremist movement, which opposes any negotiations with Israel and views the struggle with Israel as a holy war, is now second in influence to the PLO. It is especially prominent in the Gaza Strip, but its strength is also growing in the West Bank. Neither Israel nor the PLO can ignore this extremist movement.

The conclusion is that the continuation of the uprising is not promoting particularly moderate forces. It is also providing an opportunity for the ascent of extremists and revenge seekers, who will do everything to disrupt the political process. Hamas and the Islamic Jihad were dealt a blow by SHABAK [General Security Service] when hundreds of their members were arrested in two waves. However, these two groups, especially Hamas, have apparently recovered over the past 2 months, as seen in the number of detections of Islamic cells in relation to all detections, which grew from 4.8 percent in 1989 to 8.7 percent in 1989. The second phenomenon is an increase in the extremism of the leadership in the street and that of the groups under its control, i.e., those who actually carry out the uprising. As the intifadah continues, these groups will become institutionalized, and the day is not far when they will also have firearms. These are groups over which the PLO and the Palestinian leadership in the territories have no real control. This is proven by the fact that the leaders of these groups refused to respond to the call made by the PLO and the local leaders to reduce acts of murder against collaborators. The increasing extremism in these two populations is a cause for concern for both the PLO and Israel. If a political process actually begins, we should not be surprised if persons from these two populations attempt to prevent negotiations through political assassinations. The PLO is trying to overcome this by reorganizing its commands, including the establishment of a forward command in Jordan to increase its control in the field.

Regarding Hamas and Islamic Jihad, FATAH [Palestine Liberation Movement] has made a great effort to hold a dialogue with these groups, but the attempt has so far not gone well. The IDF's control of the field is also far from being complete. It exists as long as there is a military presence. It is certain that we are not controlling the population.

These developments indicate that the uprising is not only not receding, it is also becoming more complex. The uprising will continue at a similar level in 1990 unless the political process takes a turn for the better.

## MAURITANIA

### Government Receives German Patrol Boat

90AA0124C Nouakchott CHAAB  
in French 1 May 90 pp 1, 7

[Text] A ceremony during which our country was presented with a sea patrol boat, a gift of the Federal Republic of Germany, was held late yesterday morning at Amitie Port.

Lieutenant-Colonel Dieng Oumar Harouna, member of the CMSN (Military Committee for National Salvation) and minister of equipment and transport, presided over the ceremony on behalf of the minister of fishing and maritime economy, who was unable to come. His excellency Mr. Helmut van Edig, the FRG's ambassador to Mauritania, presided with him. Also present were Lt-Colonel Mohamed Mahmoud Ould Deh, director of Amitie Port, Dr. Diagana Youssouf, our ambassador to Bonn, and several other officials of the Ministry of Fishing and Maritime Economy.

The minister and ambassador delivered speeches for the occasion.

In his address, Lt-Colonel Dieng Oumar Harouna said he was delighted "to take part in this ceremony permanently turning over the Z'Bar ship, intended to shore up Mauritania's patrol capabilities."

"Indeed, it is imperative that my country keep up effective and continuous surveillance of its economic preserve and fishing resources, which are the principal driving forces of its economic development. Failure to do so will put these resources at serious risk of overexploitation, even depletion," said the minister, who remarked that "the National Administration quickly realized the importance of patrolling, which was made one of the chief priorities in the strategy to develop the fishing industry."

"In accordance with the wishes of the National Administration, the Fisheries Department responsible for surveillance set up a central division in charge of initiating and coordinating patrols," added the minister, who stressed that "the importance of the task and the heavy investment entailed was not overlooked by friendly countries, particularly the Federal Republic of Germany."

"Indeed," he said, "the technical assistance rendered to the fishing command, the communications equipment supplied it, the loan of the M. Madi ship, and the overhaul of our surveillance planes are a considerable help in achieving this task."

The minister went on to say that: "the favorable terms under which our country acquired the Z'Bar ship we are receiving today illustrates once again the German government and people's willingness to help our country in carrying out this formidable task, for which our resources are still unfortunately inadequate."

"I would like to express to them here our sincere thanks and deep gratitude, on behalf of Colonel Maaouya Ould Sid'Ahmed Taya, president of the CMSN and head of state and the Mauritanian people."

"We would also like to thank the crew that brought the Z'Bar ship to its new home port in Mauritania," concluded Lt-Colonel Dieng Oumar Harouna.

Earlier, his excellency Helmut van Edig, the Federal Republic of Germany's ambassador to our country, expressed his satisfaction at participating in this inauguration ceremony for the Z'Bar patrol boat.

He further added that the boat was another component in the Mauritanian-German fishing surveillance and control project, pointing up that the surveillance capabilities already in service are reinforced by the addition of this patrol boat.

Thus, his excellency Mr. Helmut van Edig said, assessment of the first stage of the Mauritanian-German project confirmed its viability. He went on to say that the program already under way must now be continued and consolidated.

The German diplomat then remarked that, by investing significantly in the surveillance and control of fishing, Mauritania is demonstrating the importance it attaches to that vital sector.

The German ambassador concluded by pointing out that the joint fishing surveillance and control project, which began in June 1989, began to show results once it was based on a concrete operational system.

The speed of the patrol boat is 30 knots an hour and its transport capacity 200 metric tons.

The ship, which is 38 meters long and seven meters wide, has three engines with total horsepower of 7,000 and a crew of 20.

#### Official Visits Literacy Center

90AA0124B Nouakchott CHAAB  
in French 25 Apr 90 p 1

[Text] Mr. Rachid Ould Salah, state secretary for literacy and indigenous education, arrived in Oum Lehbala yesterday morning on the first lap of his visit to the Aioun central moughataa. Shortly after his arrival there, Mr. Salah visited the area's literacy centers in N'Beika, N'Gava, and Eg Jertt. He will subsequently travel to Aioun for similar visits.

The literacy campaign aims not only to restore indigenous education but also, above all, to teach graduates of the mahadras modern occupations and techniques. It also aims to extend learning to all Mauritians, requiring the participation of each and every one.

That is why a National Anti-Illiteracy Day was instituted, to develop all citizens in a balanced manner in order to curb ignorance and illiteracy everywhere in the

country. As part of a national plan to combat illiteracy, several classes have been started across the country, seminars to promote awareness and reflection on the matter have been organized, and textbooks were distributed to classes taught by volunteers. The indigenous educational system will be revamped.

Our mahadras, which have promulgated our culture throughout the world, have played an historic role in the propagation of Islam and Arab-Muslim culture. They preserve our national cultural heritage and help mitigate, through education and instruction, social inequalities arising from illiteracy.

#### Water Resource Development Projects Planned

90AA0124A Nouakchott CHAAB in French  
29 Apr 90 p 3

[Article by S.M.S.: "Better Control of Our Water Resources"; first two paragraphs are CHAAB introduction]

[Text] Providing enough drinking water to meet the needs of the country's people, particularly of rural areas with over 150 inhabitants, preserving water quality, and improving pastureland by installing water-tap connections are the main strategic goals of the water authorities.

In deciding how these improvements will be functionally organized and distributed, the participation of users, of the people themselves, in operating and maintaining water-tap connections cannot be overlooked. This participation must, in the end, encourage public authorities to gradually withdraw from construction and maintenance work.

#### Investment Plan

To carry out this program, an comprehensive improvements plan is proposed for the next 10 years. It outlines ways of satisfying the needs of villages and urban and semi-urban settlements, at the rate of 20 liters a day per person for localities of 150 to 2,000 inhabitants, 40 liters under the same conditions for localities of 2,000 to 5,000 inhabitants, and 50 liters for urban agglomerations of over 5,000 inhabitants.

#### Financial Cost

In addition, the plan must cover the country's sanitation and sewage needs, and research to investigate new resources and promote other auxiliary projects.

The total cost of all of this is US\$115,300,000, 95.17 million for improvements alone.

Foreign moneylenders will marshal 91 percent of the funding, with the remaining nine percent provided by the state.

#### Coverage of Needs

The comprehensive improvements plan not only provides for the creation of 150 wells, 1,320 drilling sites

(690 of them equipped with human-powered pumps), and 480 contrepuits [bore wells?]. It also aims to renovate 500 other works and supply 10 Moughataa and 30 secondary urban centers with drinking water.

Extension of the drinking-water supply system (D.W.S.) to newly constructed neighborhoods on the outskirts of Nouakchott, sewage removal for 10 secondary urban centers, and the installation of an experimental desalination plant in Atar are essential to complete a program that must take into account the people's urgent needs.

#### Complementary Measures

In addition, current investments are also funding small improvements in the replenishment of water tables.

Finally, research is not lagging behind. Indeed, it is given priority. It involves prospecting for new water resources that will allow development of currently underused pastureland in the Tiris Zemmour, Agan, and El Khatt, and in the Haddad-Monguel-Kaedi triangle.

The possibility of supplying underground water tables from aboveground sources is also under study.

The outcome of such an undertaking is sure to have positive effects on improving the use of the Hodhs and Adrar cracked aquifers.

Indeed, although there is an abundance of underground water in the so-called "extensive" aquifers of the coastal sedimentary basin and in the Aouker and Assaba dunes, except for the brackish coastal strip, the same cannot be said for the "discontinuous" aquifers of the granite and metamorphic shelves (schistose zone of the Mauritanides, crystalline shelf of the Inchiri and Tiris). There water resources are limited and located at random.

#### Institutional Framework

The Hydraulics Division, of the department of the same name, is acting in its capacity here to implement the water policy decided by the government.

After drafting the water code governing nonmaritime water and hydraulic structure regulations, the division set to work executing an ambitious program to build structures and bore wells.

The government had to respond to an urgent and constantly growing need throughout the nation before a master blueprint had been drawn up, because no plan to upgrade water resources existed.

#### Works Construction Speeded Up

And although Mauritania had only 400 modern works before 1985, 90 percent of them wells, execution of the program was speeded up so that there are now over 1,300. These are capable of providing 35 percent of village needs and 11 percent of overall needs including grazing.

When the Consolidation and Renewed Action Program (PCR) under way is complete, our country will have 2,118 water-tap connections. They will cover 56 percent of village needs and will require total financing of 6,392 million ouguiya (or 80 million dollars).

Finally, improvements along the Senegal River are another focal point in our desire to control our water resources, the guarantor of national independence.

#### OMAN

#### Improvements in Financial Sector Discussed

90AE0038A London *AL-HAWADITH*  
in Arabic 6 Apr 90 pp 48-50

[Interviews with Maqbul Bin-'Ali Sultan, president of the Omani Chamber of Commerce & Industry, Mahmud Bin-Muhammad al-Jarawani, director general of the Muscat Financial Market, Dr. Hashim al-Sabbagh, consultant for the Muscat Stock Exchange, and the General Director of Omani Tourism by Farid al-Khatib: "Sultanate Perestroyka Begins with Omani Stock Exchange Market"; date and place not given]

[Text] At the 'Alam Palace in Muscat, Sultan Qabus Bin-Sa'id last February received the president and members of the Omani Chamber of Commerce and Industry and urged them to play an active role in the universal development movement. *AL-HAWADITH* met the chamber's president Maqbul Bin-'Ali Sultan to ask him about what went on in that meeting. He answered:

"The meeting with the sultan was historical. It included, under the chamber's umbrella which represents all the economic sectors, the chamber's board of directors and members of the specialized committees, namely the Industrial Committee, the Agricultural and Fish Committee, the Foodstuffs Committee, the Banking Committee and the Insurance Committee, in addition to subcommittee members from the various Omani provinces. We listened to the sultan's directives that emphasized Omanization and called upon the private sector to make the necessary sacrifices toward this end, particularly that the great majority of the 280,000 to 300,000 private sector employees are foreigners, mostly Asians, whose members went up by 30 percent last year, while we have to provide employment for Omani high school, technical school, and university graduates and to eliminate unemployment.

"His Majesty called upon the private sector to give up its almost total dependence on government spending by taking the initiative, by setting up joint-stock companies, by standing on its own two feet, by participating in major projects, and by turning into an economic force. For ever since the seventies, the private sector has been relying on government spending while the government relies on oil revenues which, when they drop, as happened in 1986, 1987 and 1988, impact on the private sector in a big way. The most important part the private sector can play is to

diversify sources of income and diversify the economic sectors in general to avoid dependence on oil as a main source of income. After the government started to encourage the establishment of industrial, agricultural, tourist, and fish projects, the sultan urged the private sector to take part in these projects.

"The third subject the sultan called for underscored the cooperation between the government and the private sector. For economics and politics are twins and the chamber's role is to establish a connecting link between the public and private sectors. The sultan issued his directives on such cooperation and on the role the Omani Chamber of Commerce and Industry can play to coordinate between the private sector and the public sector and to raise the consciousness of people and businessmen, big and small."

In response to a question about the steps the chamber has adopted to implement the sultan's directives, Sultan said: "The chamber's board of directors has held several meetings to study the message, word by word and in its entirety. We have decided that these directives and everything that was mentioned in the meeting were very important and that the chamber ought to put the subject of Omanization at the top of its priorities. In fact, we are now offering short courses in marketing and accounting to corporate and small business employees and we are looking into establishing an institute for high school graduates to earn diplomas and higher degrees in business. We are in the process of establishing a marketing company to help factories sell their products in a scientific and good manner. The sultan has approved the formation of a joint standing committee from the public and private sectors to discuss economic issues and trends with a view to bolstering cooperation between the two sectors. And in order to diversify sources of income and to encourage the private sector, we are looking into the establishment of an economic feasibility studies advisory center that would circulate its studies to Omani investors in an effort to persuade them to take part in purely production projects aimed at lowering imports and raising exports."

To realize Omanization, AL-HAWADITH wonders whether Omani workers are willing to accept the kind of wages Asians earn. Sultan answered: "In addition to basic salary, Asians receive housing and food allowances, tickets for annual home leave and many other things. Therefore, we find that Omanis cost less than Asians, and if they are well trained and prepared, the country stands to reap great returns in the long run. Given the 280,000-300,000 foreign workers in the sultanate, it is easy to compute the enormous sums of money going out to foreign countries through remittances that could be invested in the country. From a purely economic point of view, the government, the people, and the private sector would reap greater returns by employing Omani workers. Investment in Omanization has been described as yielding great returns for the private sector."

In reply to a question about private sector investments in tourism, the president of the Omani Chamber of Commerce and Industry said: "After many years of neglect, tourism is now in a very good state, especially in the wake of the decree to encourage tourism and to offer easy or interest-free loans for tourist projects, in addition to other facilities. Immediately after the stock exchange market was opened, people's or small investors' attitudes toward joint-stock companies became more positive. Tourist projects will gain greater acceptance by the private sector which has actually begun to subscribe to certain tourist projects on which several studies will be prepared very shortly. Omanis used to have a small amount of capital and wanted to make quick profits from business and real estate, but by making it easy for foreign visitors to obtain entry visas, the situation and the old attitude toward tourism have changed."

About economic revitalization, he said: "In the last six months real estate prices have increased 15 percent, rents have gone up, the banking sector has been invigorated and nonoil exports have gone up 30 percent. During 1986-88, many companies were affected and some went bankrupt, thus impacting on commercial banks, which were forced to cut their budgets because of the economic recession caused by lower oil prices and a lower exchange rate for the Omani riyal. In 1989, however, the situation improved a lot and will be even better this year. Commercial bank profits will go up and the need for bank allocations will go down, thereby enabling the private sector to stand on its own feet and its dependence on the government will diminish."

AL-HAWADITH asked about the repercussions of the royal decree eliminating company profit taxes for two years and Sultan answered, saying: "In the past, Omani private companies did not pay any taxes and when a decree was issued to collect such a tax, certain technical and audit problems cropped up, in the provinces in particular. When the economic boom got under way, the private sector asked for a tax deferment. Out of his love for the Omani people, the sultan saw the need to defer the matter (i.e., paying taxes) for two years and so it was. This is a good step that will give the private sector an incentive to raise its output."

In connection with putting the final touches on the fourth five-year development plan to be put into effect next year, he said, with a smile: "The Omani private sector believes that the government ought to carry out most of the projects, and infrastructure projects in the capital and some provinces are near completion. We hope to complete most of the projects listed in the fourth five-year plan, some of which have been carried over from the third plan because, due to lower oil prices and revenues, they were not implemented over three years."

About proposals the chamber has submitted in this connection, he said: "Due to the fact that the chamber is represented in several five-year plan committees, we have put forward many proposals under study."

He emphasized that "up till now, the private sector has played a small role, but it is growing day by day, and industry's contribution to the gross national product has been very small, but it is going up at a satisfactory rate, whereas in the past small businessmen and small companies avoided long-term projects, the private sector now has agricultural projects."

At the Muscat Financial Market which opened for business last May, AL-HAWADITH met with the market's director general, Mahmud Bin-Muhammad al-Jarawani, who stated "whereas the five-year studies conducted by the International Finance Corporation, the Arab Monetary Fund, and the Zurich Financial Market projected the trading volume in the secondary market (Muscat Stock Exchange) at \$15.6 million for the first year, the volume went up to \$33.8 million and may reach \$39 million before the end of this year. Seven new joint-stock companies, with a total capital of \$13 million and 33,000 shareholders, have been established in the last 19 years. Most of the new joint stocks have been covered, while some companies have raised the number of shares offered for public subscription."

The royal decree establishing the Omani Stock Exchange stipulated that "the market shall enjoy independent corporate status" and "shall be under the minister of commerce of industry." It also affirmed that "the market shall be exempt from all taxes and fees" and "all newly-formed joint-stock companies and organizations eligible for membership in the market shall submit to the board an application to list their securities for market trading within a period of three months." The decree defined the market's goals as: A) to provide opportunities to invest savings; B) to regulate and oversee stock issues; C) to facilitate and expedite the flow of invested money; and D) to collect data and statistics on stocks. The decree also stipulated that "buy and sell orders shall be based on the immediate delivery of stocks among all the parties to the transaction and, in the absence of an agreement to the contrary approved by the market, stock values shall be paid on an immediate cash basis."

Al-Jarawani said that the exchange market "is one way to attract individual capital to the national economy to develop the country and, given its ability to provide a lot of data in a very short time, it is considered the soul of the stock market."

He noted that setting up the stock market in Muscat "has created oversight" and said that the Muscat Stock Exchange has employed 25 young workers selected through oral and written tests in education and general specializations from among 1,300 applicants."

He noted that the Omani Fish Company that offered its stock for public subscription, has received \$62 million from individuals, has repaid \$21 million in bank loans and has raised its capital to \$31 million.

When I expressed my surprise that the Muscat Stock Exchange is located on the ground floor of the Ministry of Commerce and Industry building, the director general

said: "Next year, a special self-contained stock exchange building will be built in the commercial district near the ministry's building."

Al-Jarawani rated the Omani Mills Company stock as the most active in the stock exchange secondary market and said, "There are two large and five small brokerage firms operating in the stock market. When I used to oversee their operations on the trading floor after 10 AM, a broker, Ibrahim 'Isha, came up to me and handed me his business card as the representative of the International Financial Services Corporation!" The floor was opened last November "to regulate certain stock transactions through the parallel market to trade the stocks of newly-established companies or companies that lack specific qualities that give them sufficient liquidity protection or guarantees." In addition to the morning session, the floor provides two evening trading sessions a week.

Dr. Hashim al-Sabbagh, one of the founders of the Amman Stock Exchange, serves as a consultant in the establishment and management of the Muscat Stock Exchange. He told me that the Muscat market was the third in the Arab Gulf countries, after the Kuwait and Bahrain markets, and the seventh in the Arab countries, after Egypt, Tunis, Morocco, Jordan, as well as Lebanon.

Muscat stock market statistics show that, as of the end of last February, trading volume on the regular market amounted to \$29 million, the number of shares traded was about 7.25 million and the number of contracts concluded was 4,572 while the number of companies traded during that month was 128.

In the parallel market, trading volume amounted to \$823,000, with about 253,000 shares traded and 344 contracts concluded, while the number of companies traded last February was 14.

In the third market, trading volume was about \$680,000, the number of shares traded was 247,000 and the number of contracts was two.

In the second half of last year, "the insurance sector was in first place, accounting for 36 percent of the market's total volume; the industrial sector accounted for 26 percent and the banking and investment company sector for 24 percent, while the services sector was in last place with 14 percent."

The five most active stocks were: the Omani National Insurance Company, the Oman Flour Mills Company, the Oman International Development and Investment Company, al-Ahliyah Insurance Company, and the Oman United Insurance Company."

About the Muscat Stock Exchange, a recently published "Omani Joint-Stock Company Guide" lists the name of the company, the names of the board members, the name of the director general, the name of the auditor, the name of the legal advisor, the number and nationality of company employees and the number and nationality of the stockholders. This is in addition to information

pertaining the company's stock, capital, profits and losses, and cash ratio, "in an effort to provide all the necessary and important information and data to all those interest in these companies whose structures are the nerve center of our national economy," according to the guide's forward.

The Omani Joint-Stock Company Guide may be used as a springboard for an Omani perestroika in response to Sultan Qabus' call for expanding the Omanization base. It is noted that a large number of ministers, principals, consultants and agents charged with preparing the Omanis to take over positions filled by Asians are members of the boards of companies that often employ more Asians than Omanis, or include on their payrolls a high percentage of non-Omani workers.

As evidence of his interest in boosting tourism to Oman, Sultan Qabus has issued a decree to establish a department of tourism to be managed by his cousin, Fatik Bin-Fahir Aal Sa'id, who studied in Lebanon at Brummana High School and the al-Shuwayfat School and in England for 17 years, and has visited West European countries, Brazil, and Hawaii.

The director general of Omani Tourism told AL-HAWADITH that "a UN team is in the process of preparing a comprehensive study of tourist capabilities in Oman and is expected to issue its report by the middle of next July."

Besides the sun and white soft sandy beaches in the southern region that enjoys autumn-like weather in summer, the citadels that embody Oman's history, the Nazwa antique jewelry market, the al-Wahibah sand, the caves, the valleys and the mountains where the highest peak on al-Shamis Mountain is 10,000 feet high and may appeal to mountain climbers, and the National Heritage Ministry museums, he listed the tourist landmarks found in Oman.

Nevertheless, he noted that the Omani tourist infrastructure is still in its infancy and that the Omani government plans to set up restaurants, entertainment facilities and a boat dock in al-Suwadi; a health club in Bandar Khayran; a recreation center in Bandar al-Jissah; a 400-500 boat marina at the yacht club on Sidab Beach near the capital; and Omani restaurants and marine and amusement clubs at Qurm Beach. He noted that the Scuba Diving Federation is in the process of establishing a marine club with state-of-the-art tourist aids and called for the need to look into the creation of tourist markets near the citadels where tourists can buy art and crafts products.

He emphasized that the Omani government does not encourage the establishment of nightclubs in Oman. It encourages high-class tourism so that tourists may leave with a good impression of the country.

While he estimated that the number of tourists visiting Oman last year at about 17,000, he expected this number to rise to 60,000 a year in the next few years and to

multiply in subsequent years. In addition to the tourist activity in the southern region, he said that the low cost of tourism in Oman has boosted foreign tourism from Switzerland, Austria, West Germany, France, and the United Kingdom, noting that travel agencies play a key role in promoting tourism and, therefore, Oman has participated in a number of international travel fairs in Damascus, Baghdad, and Tehran, in addition to the Berlin International Fair.

## TUNISIA

### Comparative Unemployment Statistics Reported

90AA0096A Tunis *LA PRESSE DE TUNISIE*  
in French 23 Mar 90 p 4

[Text] President Zine El Abidine met with Minister of Economy and Finance Mohamed Ghannouchi in the Palace of Carthage on the morning of 22 March. The latter submitted a report to the chief of state, which pertained to the mission he had carried out in Abu Dhabi, where he participated in the annual meeting of the Arab Monetary Fund, and in Algiers as president of the Maghrebian Ministerial Commission for Economy and Finance.

Also discussed during the meeting were the activities of the ministry and the priorities of its action program, the purpose of which is to continue strengthening economic recovery.

Determined to take a greater interest in the employment sector, and to remove the obstacles prevailing in that sector, the chief of state ordered the organization of a national seminar on employment with the participation of the concerned ministries, Professional Training and Employment, in particular, with a view to studying thoroughly the various related issues and to establish practical provisions capable of ensuring a larger number of jobs.

### Multiple Implications

Unemployment affects 21.6 percent of the active population in the southwest; 18.7 percent, in the northwest; and 16.2 percent in the central-western regions. Among the 316,000 unemployed workers counted (by the survey), 30.6 percent have attended secondary or higher schools, which shows that, currently, the unemployment problem exists much more as one of quality than of quantity. The same survey shows that the younger population, under 25 years of age—or a working force of some 208,100—is the most affected by unemployment, with those seeking their first jobs (135,200 out of 316,000 unemployed workers) particularly vulnerable.

On another level, let us note that the active population accounts for 29.8 percent of the total population and for 48 percent of the population aged 15 and over. Of the 2,360,000 workers, 494,300 were women, or one-fifth of the working force.

Let us note that agriculture employs 26 percent of the workers; industry, 34 percent; and services, 40 percent. Let us point out that, generally speaking, wage earners account for 36 percent of those employed in agriculture, reaching 86 percent in industry. For industry as a whole,

they capture three-quarters of the jobs, or two out of three, particularly in the manufacturing industries. All these figures, therefore, illustrate the importance of this dossier which, given the multiplicity of its implication, necessitates a special treatment.

#### Characteristics of the Unemployed Population

##### I. Rate of Unemployment by Gender and Environment

In thousands	Number of Unemployed		Unemployment Rates	
<b>Men</b>	199.8	226.6	13.7%	13.9%
Urban	94.3	141.3	11.7%	13.8%
Rural	105.5	85.3	16.4%	14.0%
<b>Women</b>	45.4	90.0	11.0%	20.9%
Urban	32.4	66.4	13.5%	21.9%
Rural	13.0	23.6	7.6%	18.6%
<b>Combined</b>	245.2	316.6	13.1%	15.3%
Urban	126.7	207.7	12.1%	15.6%
Rural	118.5	108.9	14.5%	14.8%

##### II. Distribution of the Unemployed by Age and Gender

	Men		Women		Combined	
	(1,000)	(%)	(1,000)	(%)	(1,000)	(%)
<b>1984</b>						
18-24 years old	110.8	55.4%	32.6	71.8%	143.4	58.3%
25-44 years old	65.3	32.6%	11.2	24.7%	76.5	31.2%
45-59 years old	23.7	11.9%	1.6	3.5%	25.3	10.3%
<b>TOTAL</b>	<b>199.8</b>	<b>100.0%</b>	<b>45.4</b>	<b>100.0%</b>	<b>245.2</b>	<b>100.0%</b>
Men		Women		Combined		
<b>1989</b>	(1,000)	(%)	(1,000)	(%)	(1,000)	(%)
18-24 years old	105.9	46.8%	47.3	52.5%	153.2	48.4%
25-44 years old	96.7	42.7%	37.7	42.0%	134.4	42.5%
45-59 years old	24.0	10.5%	5.0	5.5%	29.0	9.1%
<b>TOTAL</b>	<b>226.6</b>	<b>100.0%</b>	<b>90.0</b>	<b>100.0%</b>	<b>316.6</b>	<b>100.0%</b>

## REGIONAL AFFAIRS

## Disagreement Over SAARC Summit Venue Noted

46001552 Madras *THE HINDU*  
in English 18 Apr 90 p 9

[Article by K. K. Katyal]

[Text] New Delhi, April 17. There is crisis again in the affairs of the South Asian Association of Regional Cooperation (SAARC). The reason: both Sri Lanka and the Maldives want to hold this year's summit. Unless the collective wisdom of the member-countries prevails, the grouping may remain inactive.

Earlier this month, the Sri Lankan Government wrote to Pakistan, the current head of the SAARC, staking its claim to host the summit—in Colombo in May. Pakistan has circulated the Colombo request to other members and there the matter rests at the moment. The Maldives, on the other hand, is going ahead with the preparations in the belief that Male will be the venue of the summit in November this year. Sri Lanka insisted on its "turn" after the Pakistan Foreign Minister, Sahibzada Yakub Khan, had been to Colombo to convey to the island's President, Mr R. Premadasa, the consensus in favor of the Maldives' claim.

In terms of the decision of the SAARC heads in December 1988 in Islamabad, the summit was to be held in Sri Lanka in 1989 and in the Maldives in 1990. However, Sri Lanka sought postponement on the ground that it would not organize a major international meet so long as the Indian Peace-Keeping Force [IPKF] remained on its soil. New Delhi did not like this excuse on two grounds—one, the Indian troops were stationed in the island in pursuance of an agreement between the two countries, and, two, Sri Lanka was seen as importing bilateral matters into the functioning of the SAARC, contrary to the express provision of its charter.

Colombo then mentioned February-March 1989 as the possible timing for the summit—on the assumption that the IPKF would complete its withdrawal by then. Colombo wanted another postponement when India fixed March 31 this as the deadline for withdrawal.

Meanwhile, the Maldives pressed its claim for the 1990 summit. This being the silver jubilee year of its independence, the Maldives was not prepared, for obvious sentimental reasons, to give up its claim. Barring Nepal, other member-countries—India, Pakistan, Bangladesh and Bhutan—were for the Maldives. Later Nepal too fell in line with them. Having sought repeated postponements, Sri Lanka, it was assumed, would not insist on its turn. The recent communication to Pakistan belied that hope.

Unless there is an amicable settlement, the situation may take an unseemly turn. The Maldives may keep away, if the summit were to be held in Colombo, and Sri Lanka may boycott it, if Male is the venue.

One of the loosely-mooted compromise proposal envisages two summits, one in the first half of the year and the other towards the end—the first to consider the normal agenda of SAARC items and the second to discuss the implications for the South Asian region of the momentous global developments, the U.S.-Soviet detente, changes in Eastern Europe and the goings-on inside the Soviet Union. There are however no takers yet for this proposal.

## INDIA

## 'Social Justice Year' Launched at Ambedkar Observance

46001554 Calcutta *THE TELEGRAPH*  
in English 15 Apr 90 p 5

[Text] New Delhi, April 14 (PTI): People from all walks of life today gratefully remembered the father of the Indian Constitution Dr B.R. Ambedkar, on his 99th birth anniversary, which was marked by public rallies, seminars, colorful processions and prayer meetings all over the country.

The vice-president, Dr Shankar Dayal Sharma, the Prime Minister, Mr V.P. Singh and several of his Cabinet colleagues garlanded Dr Ambedkar's statue outside Parliament House.

Later, speaking at a massive rally at the Ambedkar stadium, Mr V.P. Singh, announced the beginning of the birth centenary celebrations of Dr Ambedkar, and suggested that it be observed as the "year for social justice".

The Prime Minister also announced that this government would try to fill up all vacancies in public jobs reserved for Scheduled Castes and Scheduled Tribes within a year.

He said by conferring the Bharat Ratna on Dr Ambedkar and putting his portrait in the central hall of Parliament. "We have tried to honor those toiling masses who have been suffering under the age-old repressive social system.

"By this act (of honoring Dr Ambedkar), no poor man has received an extra piece of bread nor has an unemployed youth got a job. What we want is to give recognition to the exploited classes on whose shoulders runs our nation."

The Prime Minister said the land issue would be included in the Ninth Schedule of the Constitution "to end procedural delays in transferring land rights to the owner," and a Bill providing rights of secret ballot for recognition of trade unions would be tabled in Parliament within this year, the process of labor participation in management would be strengthened, he added.

The Union labor and welfare minister, Mr Ram Bilas Paswan, and the former Union minister, Mr Yogendra Makwana, were among those present.

**Calcutta:** Several dalit organizations in the city took out processions and held rallies. A series of meetings were held at the base of Dr Ambedkar's statue, which was garlanded on behalf of the organizations.

All Central and state government offices remained closed.

### High Level Panel Appointed To Fight Terrorism

46001558 Madras *THE HINDU*  
in English 16 Apr 90 p 1

[Text] New Delhi, April 15. The escalation in terrorist activities, particularly their strike in the non-traditional areas like Pune and Bombay, where over 10 people were killed within three days in bomb blasts, has prompted the Government to set up a high-level group, consisting of senior officials, to monitor the situation and the steps being taken to counter their activities in different parts of the country. There are intelligence reports that the terrorists might step up their activities and strike at places where people congregate in large numbers.

No less than the Cabinet Secretary is part of the high-level group, besides the Home secretary and officials from the intelligence set-up. This only underlines the Government's concern over the increasing violence from these desperate groups and the need to take urgent steps to frustrate their attempts to cause panic among the people and to create communal disharmony.

An official spokesman, informing mediapersons about the formation of a high-level group, said that the Government has also received intelligence reports about the terrorist group's plans to strike at railway stations, bus terminals and trains.

He said the State Governments have been asked to intensify steps for screening in railway stations, bus junctions and cinemas, the common targets. They have also been asked to caution the people against ignoring precautionary measures such as checking the environs in parking places, trains and buses, before entering them.

### Kashmir: British Press Cited on Pakistan's Role

90P40042A Bombay *NAVBHARAT TIMES*  
in Hindi 2 May 90 p 1

[Text] The British news media have presented substantial evidence on Pakistan's active participation in bringing about the present situation in Kashmir.

A television report broadcast last night by BBC, gave a detailed description of how the people crossing the Indian border into Pakistan-held Kashmir are kept supplied with arms.

The extremist militants, interviewed for this report, talked of waging a communal war against India. One person said that if the courageous Afghans could win their freedom from the Soviet Union's dictatorship, then why shouldn't we be able to free ourselves from India's

dictatorial conduct. This report especially brought to light Pakistan's supplying of arms and weapons to the extremists. One militant is shown displaying the receipt for purchasing arms and routing them into India. The correspondent of this report has also touched upon the issue of the interest of Saudi Arabia and Iran in this matter.

The *GUARDIAN*, reporting from Muzaffarabad, said that this town located in Pakistan-held Kashmir had become the headquarters for the fight against the Indian army. Here, Pakistan's fundamentalist parties have made free housing available to six Indian Kashmiri political groups. These groups were placing propaganda in the press and were operating as agents in a network linked with international centers.

The newspaper says that a "Jihad" [holy war] was being conducted on the same lines as the Afghan war. It is irrelevant that this holy war is not getting financial support from the United States.

A JKLF [Jammu Kashmir Liberation Front] leader, Raza Muzaffar, showed the *GUARDIAN* reporter a receipt for 2,500,000 rials for rifles purchased from a Pakistani arms merchant. These rifles have been sent to Srinagar. In this report the true situation has been portrayed and it has been proven that Pakistan had a hand in the Afghan struggle as well.

It is said in the report that the militants, in summoning others to join the Kashmir struggle, are saying that this holy war is not a war by the Kashmiris only, but in fact it is a war by the the entire world muslim community.

### Assam Hill People Demand Autonomous State

46001549 Calcutta *THE STATESMAN*  
in English 21 Apr 90 p 12

[Text] Guwahati, April 20.—The Autonomous State Demand Committee [ASDC] is preparing for an armed struggle if neither the Assam Government nor the Center pays any heed to its demand and instead resort to repressive measures. The ASDC is demanding the creation of an autonomous State comprising two hill districts of Assam, Karbi Anglong and North Cachar Hills. The newly-elected chairman of the ASDC, Mr Holiram Terang, said at a Press conference here today that the ASDC would prefer democratic and constitutional means to achieve its objectives but if all avenues were exhausted the ASDC would have no inhibitions against armed struggle.

The ASDC, at its three-day conference at Diphu in Karbi Anglong which ended on April 15, has also elected a commander-in-chief of its People's Guard. The People's Guard was formed in September 1988 to protect the people from "State repression and anti-social elements". Mr Terang said that a delegation of ASDC led by him had met the Prime Minister, Mr V. P. Singh, recently in Delhi and submitted a one month ultimatum to him. The Prime Minister was told that Article 244(A) of the

Constitution is a commitment of the Central Government towards the hill people of Assam as a measure to protect their people, land, life and culture against the onslaught of the more advanced-outsiders.

Mr Terang said that Mr Singh gave a patient hearing to the ASDC delegation. "We informed the Prime Minister that we had all been against the Congress(I) and Karbi Anglong was the only place in Assam where the Bharat Bandh was observed by the ASDC along with other Opposition parties", he added. He said that the delegation informed Mr Singh that they hoped they "would not have to go the Bodo way" and hoped that the Center would initiate discussions with the ASDC on the issue of forming an autonomous State within Assam. Mr Terang said that the ASDC delegation also met the Union Home Minister, Mufti Mohammed Sayeed, who promised to visit Karbi Anglong and discuss their problems. The CPI [Communist Party of India], the IPF [Indian People's Front] and the Assam unit of the Janata Dal had also supported the ASDC's demand and accordingly apprised the Center, he added. He said that in the forthcoming elections in Assam the ASDC is likely to forge an alliance with these political forces.

Mr Terang said that the ASDC conference resolved to actively reject the imposition of the Assam Government on the people of Karbi Anglong and North Cachar Hills by the Center and take its movement to a broader and higher sphere. The ASDC would further intensify its movement and carry forward the people's struggle to new heights, he added.

#### New Chief Gupta May Bring Change to CPI

46001547 New Delhi PATRIOT  
in English 21 Apr 90 p 1

[Article by Sadhan Mukherjee]

[Text] With the handing over of the mantle of general-secretaryship of the Communist Party of India [CPI] by C Rajeswara Rao to Indrajit Gupta on April 20, one can possibly say that an era has ended and a possibility has come up of a new phase in the CPI. No doubt, the changeover though smooth and unanimous does not represent any infusion of fresh blood as it were but possibly it does represent a certain degree of new thinking in the party.

This is so because Rajeswara Rao indeed personified the old school of thinking and though he had scientific training in his college days, his thinking process has been much too overpowered with the Telengana days and subsequently by the fallouts of the inner-party struggle. Nevertheless, he steered the CPI in the most difficult days and for 26 long years rendered yeoman service to the party and made it what it is today through ups and downs of political fortune.

There is no doubt that Rao found himself at sea with the tremendous changes taking place in the international communist and working class movement. The changes

that took place in Eastern Europe and the process of change that is in full swing in the Soviet Union and even the theoretical-ideological shifts that are discernible in the communist movement left him rather helpless. Coupled with his failing health—he has severe bronchial asthma and cataract in both eyes which prevents him from reading—the onerous tasks of general secretaryship became a big burden for him. At 76 it is rather hard to deal with so many problems at one go.

However, national issues, especially such problems as the communal problems, divisive forces, united front tactics and similar issues have been Rao's strong points. He is one CPI leader who has been extensively touring the country, going even to the most remote areas of Nagaland, Manipur and so on. He knows leading party cadres closely, knows their weaknesses and strong points. He realizes how in a highly complicated political arena of India, one should operate deftly.

If Rajeswara Rao had a streak of very practical sense of operational priorities and quite rustic approach to problems, Indrajit Gupta is quite something else. Coming from a blue-blooded family, his father was the first secretary of the Constituent Assembly, Indrajit learnt his Marxism in England as a student. He remains a gentleman. Returning to India in early 1941, Indrajit plunged into trade union work and devoted his entire heart and soul into it. He has authored several booklets and the best industry-study of the All India Trade Union Congress [AITUC]—on jute industry—has been his contribution. He was the obvious choice to be the general secretary of the AITUC where S. A. Dange relinquished that position. Indrajit also became and continues to be the vice-president of the World Federation of Trade Unions [WFTU] and his report on the Asian trade union situation at the World Trade Union Congress in Berlin in 1986 is reflective of the Asian reality and is a highly praised document.

But not only in trade unions, Indrajit is an outstanding parliamentarian and except for once he was returned to the Lok Sabha all the time from 2nd to 8th Lok Sabha. His speeches are remarkable in their richness, presentation and arguments. He is one of those rare figures in the tempestuous Lok Sabha who is listened to with attention cutting across party benches. Despite basically being a trade unionist, Indrajit's command over such subjects as finance, foreign policy and defence is quite extensive.

Indrajit's forte is his reading habit. Indrajit is 71 but he does not look his age. Like Rao, he has very frugal habits and friends say that despite coming from a rich family, he is averse to wanton spending. Quite often he has been described as a person who has "declassed" himself. Maybe that is too much of a claim but no one can miss his simple habits and non-luxurious living. For years he has been living in one room in Western Court.

Indrajit is quite honest about his own weaknesses. He feels that the party general secretaryship is too much of a burden. But since it has been unanimously entrusted to

him, he would try it out. He has never been a party leader in the true sense. But he feels that in a truly collective functioning it is possible to do better. He, however, realizes that it is no longer possible to work in the old way. It is necessary to mobilize much greater intellectual force behind the party and therefore he is ready to draw upon the party periphery and outside the parameters of wholetime party functionaries.

Indrajit has been quite exposed to the outside world, first because of his education, second due to his links with international organizations and third due to his tremendous parliamentary experience. Indrajit has met many a noted figure in the world including Mikhail Gorbachev whom he met twice, first as a member of the WFTU delegation and second as a member of the CPI delegation. The first time it was in Moscow and the second in New Delhi.

Rajeswara Rao's wide experience will continue to be available to the CPI. He has been elected by the CPI National Council as a member of the central secretariat after he was relieved of his duties as the general secretary. He will help the party in some specialized areas like the communal issues, tribal problems, and so on.

The party central structure is also to undergo change. There will be a group of younger persons who would help in the day to day work and in helping the study of various subjects. That will help the party in many ways. One hopes that with a new general secretary, the CPI will show better results and present a brighter image.

### Oil Production Increases 60 Percent in Plan Period

46001556 Madras *THE HINDU*  
in English 9 Apr 90 p 7

[Text] New Delhi, April 9. An important development in the field of hydrocarbon energy during the Seventh Plan period was the emergence of South India as a major producer of oil and gas. With the Cauvery basin in South India and later South Bassein on the western coast going into production, the ONGC [Oil and Natural Gas Commission]'s output of crude oil in 1985-90 recorded a 60 percent increase over the preceding five-year period and brought stagnancy to an end. South Bassein, which has emerged as the country's most prolific gas field, was put on experimental oil production. This represented a major technological breakthrough as production from the thin oil rim of Bassein is regarded a challenging task.

**Three-fold jump:** The ONGC's output during the five years to March 31 last totalled 145.71 million tonnes of crude oil compared to 90.03 million tonnes in 1980-85. It also achieved more than a three-fold jump in gas supplies—from only nine billion cubic meters in the Sixth Plan period to nearly 30 billion cubic meters in the Seventh. The production of LPG (cooking gas) shot up from 671,000 tonnes to 2,674,000 tonnes.

In exploration management the ONGC's thrust was on improving the success ratio and cutting the cost of finding oil and gas. The target of identifying oil reserves was exceeded, and new oil deposits aggregating 1,391 million tonnes were discovered in 1985-90 as against 1,189 million tonnes in the preceding five years.

**New deposits:** New areas in Meghalaya, Mizoram and Nagaland were taken up for exploration, and the number of new hydrocarbon deposits found during the past five years was as many as 59. The southern States, particularly Andhra Pradesh and Tamil Nadu, came to occupy prominent positions on India's hydrocarbon map.

Among the other highlights of the ONGC's performance during the Seventh Plan period were opening up of new opportunities for the indigenous oil industry, new peaks of technological expertise and a fast pace of globalization. Drilling operations achieved a quantum jump.

The ONGC added 82 new rigs to its fleet raising the total number to 148. Super deep wells were drilled in logically difficult and geologically complex areas. The cycle speed—meters drilled per rig month—increased from 621 in 1984-85 to 832 in 1989-90. The ONGC entered into 52 joint ventures of which 17 have become operational.

Management audit studies conducted in key areas by the ONGC during the past five years have brought about considerable improvement in productivity and savings estimated at Rs 500 crores. It was the first organization in the country to sign a memorandum of understanding with the Union Government. The physical and financial targets fixed in terms of the memorandum have now become a hallmark of performance in the public sector.

**Indigenization effort:** According to the ONGC, the drive for indigenization made considerable headway during the Seventh Plan, and orders totalling Rs 3,650 crores were placed on Indian companies. The foreign exchange outgo as a percentage of plan expenditure came down from 48 per cent in 1984-85 to about 35 percent in 1988-89.

The policy initiatives taken in enhancing indigenous development include restructuring of the indigenous development group at the corporate as well as regional levels, simplification of procedures, granting liberal incentives to compete, formulation of annual rate contracts, continuous interaction with the Confederation of Engineering Industry and the Chemical Export Corporation and also commercial exploitation of patents developed at the ONGC's own establishments.

The growing technological expertise of the ONGC came under international focus with the signing of a production sharing contract with Petro-Vietnam, consultancy contracts with Thailand and Malaysia and the award of exploratory contracts in Bhutan. It has successfully executed a study for the Abu Dhabi National Oil Company and for the People's Democratic Republic of

Yemen. Trainees from Uganda, Ghana, Bahrain, Madagascar and Vietnam have received training in oil exploration at the ONGC's institutes.

Two of the ONGC's inventions—the photoinclinometer and the electronic subsurface gauge—received international patents. Marketing rights for the photoinclinometer have been granted to a Western company on attractive royalty terms.

### Asian Development Bank Economist on India's Problems

46001532 Bombay *THE TIMES OF INDIA*  
in English 1 May 90 p 9

[Text] New Delhi, 30 April (PTI)—Developing Asian countries, particularly India, which have been having a generally buoyant export growth in the last few years would be affected by the slowdown in the economic growth in the United States.

But the intra-Asian trade would continue to provide a "significant impetus" to economic development. Besides, the exchange rate realignments would favour a rapid expansion in exports from south and south-east Asian economies to the newly industrialised economies and Japan, the Asian Development Bank (ADB) chief economist, Dr H. Choo told newsmen here today.

Striking an optimistic note on the economic outlook for the Asian nations in the next two years, particularly in countries like India, Dr Choo said deregulation and other measures to reduce bureaucratic procedures and improve the allocation of resources had provided a strong impetus to the expansion of trade and investment within Asia.

Dr Choo is here in connection with the annual meeting of the ADB beginning on May. This is the first time the bank's annual meeting is being held in New Delhi. It would be attended by over 2,000 delegates from 48 member countries.

Dr Choo who released the bank's development outlook for 1990, predicted that there would be some moderation in inflation, which had surged in recent years. In most Asian countries the price-rise had been caused by large budgetary deficits, failure to fully sterilise external surpluses and high rates of capacity utilisation in the manufacturing sectors of some countries.

This had escalated production costs, he said, adding it was expected that domestic policies would address these issues by restraining money supply growth and reducing budget deficits.

Together with somewhat slower growth in the capacity constrained economies and softer commodity prices this should result in some moderation in inflation over the next two years, he said.

He said on the whole Asia was well placed to meet the challenges of the 1990s. Improved efficiency achieved

through greater reliance on market forces, sustained higher rates of investment which facilitated the rapid introduction of new technology and the widening scope of intra-Asian trade were some of the factors underpinning the economic buoyancy of the region.

On the economic problems of India, Dr Choo said the public sector borrowings needed to be curtailed drastically and the panacea for public sector inefficiency was privatisation.

He was also critical of the increase in the domestic borrowings of public sector as a proportion of gross domestic product.

Dr Choo warned that economic integration of Europe posed risks to countries of developing Asia as this placed Asia in a much weaker bargaining position with regard to trade negotiations.

The economic integration might provide some opportunities too as the reduction of barriers to the circulation of goods within the European Community might give them access to wider market, he said.

Regarding development in Europe, Dr Choo said it was "too early" to say if they would have an impact on Asia. But from the point of view of flow of funds, he said it would take at least ten years for East Europe to start borrowing large funds and hence the flow to Asia might not be affected immediately.

He said flow of concessional assistance to developing Asia might not be affected at all as East European nations had "graduated" to taking other kinds of financial assistance.

Meanwhile, Indian economy, poised to maintain over 5 percent growth in the next two years, was faced with a number of long-term problems which needed serious attention, worked the ADB.

In its development outlook, the bank said the problems included inadequate physical infrastructure, high population growth and increasing degradation of the environment.

The bank, however, said the industrial sector was expected to regain its momentum, agriculture sector expected to grow at about 2.5 percent besides sustained growth in exports and positive impact of policy reforms undertaken in the 1980s.

The bank said the lower budget deficit/GDP [gross domestic product] ratio would allow more substantial growth of bank credit to the private sector without accelerating the growth of money supply.

The money supply was therefore projected to grow by 16 percent per annum during 1990-91, a rate lower than in recent years.

It said the main inflationary threat was the lagging impact of the rapid increase in money supply that had

occurred in the past few years in conjunction with the sharp depreciation of the rupee.

However, given lower money supply growth over 1990 and 1991, the rise in consumer prices was projected to slow down to about 8 percent in 1990 and about 7 percent in 1991, assuming normal monsoon in both years.

### Visa Curbs on Foreigners of Indian Origin Relaxed

46001531 *Bombay THE TIMES OF INDIA*  
in English 2 May 90 p 9

[Text] London, 1 May (UNI)—In a step implemented here today, India has unilaterally introduced a five-year-multi-entry visa for all foreigners of Indian origin worldwide.

This is the first time travel restrictions have been eased to this extent since India introduced a visa regime for Britons some six years ago in the aftermath of "Operation Bluestar."

This step, reportedly taken on the initiative of India's new high commissioner in London, Mr Kuldip Nayar, and coupled with a move to slash present visa charges for British nationals, was widely welcomed by the Indian community in the U.K.

Simultaneously, a home ministry team is visiting Britain in the first week of this month to discuss the possibility of abolishing short-term tourist visas to India. Additionally, the government is reportedly actively considering raising the period of tourist and other short-term visas from 120 to 180 days.

Mr Nayar, announcing the move, said the five-year visa with multiple entry facility would be granted to broadly two categories of British nationals of Indian origin—those who wanted to stay in India continuously for five years and those who wanted to visit the country for relatively brief visits through five years.

The former category would apply to people wishing to study, set up business or settle permanently in India while the second would cover those who wanted to visit relatives or holiday in the country.

People travelling under the second category, however, would be allowed to stay in India for a maximum of six months at a time to exempt them from police registration.

Visitors to India currently are required to register with the police after four months.

The long-term facility will also be applicable to spouses and children of people of Indian origin but will not be available to foreigners who are or have been nationals of Sri Lanka, Pakistan and Bangladesh.

"We are taking this step on the five-year visa unilaterally. We hope the British government will reciprocate,"

Mr Nayar said. He had recommended reducing short-term visa fees from the current 23 pounds to 15 pounds and long-term visa charges from up to 69 pounds to 30 pounds. The old charges will continue till a decision is taken by the government.

Among difficulties Indian missions are expected to face is how to ascertain the Indian origin of an applicant. Problems are also expected to crop up in cases of mixed marriages, sources said.

India had already approached the U.K. to lower the fees for long-term visas.

### Press Report on Indo-Vietnamese Relations

#### Ho Chi Minh Anniversary

46001550A *Madras THE HINDU*  
in English 16 Apr 90 p 7

[Text] Hanoi, April 15. India will establish a national committee this year to celebrate the centenary of the hero of the Vietnamese revolution and former President, Ho Chi Minh, the External Affairs Minister, Mr I. K. Gujral, said here on Saturday. He was talking to presspersons after the fourth session of the Indo-Vietnamese joint commission on economic, technical and scientific cooperation.

India has decided to name a road in Delhi after this national hero and release a postage stamp, he said. A seminar would be held in Calcutta for which the Chairman of the Council of Ministers, Mr Do Muoi, has accepted the invitation to attend.

India and Vietnam on Saturday agreed to set a target of \$100 millions in two-way trade to be achieved this year under a protocol which also provides for an Indian credit of Rs 100 millions to Vietnam.

Pak threat "absurd": Vietnam has condemned as absurd Pakistan's threat to wage "a thousand year war" against India and reiterated its full support to the Indian Government on the Kashmir issue.

Cambodian issue: India made it clear that it was opposed to devolution of extensive authority to the United Nations in the administration of Cambodia. In a statement released here on Saturday, Mr Gujral said while the UN presence for "a transitional period in Cambodia could be of great value, an enhanced role for the world body should not be interpreted to mean the devolution of all executive, legislative and judicial powers to it."

Peaceful woes of atomic energy: India and Vietnam have agreed to expand cooperation in peaceful uses of atomic energy. An Indian delegation from the Atomic Energy department, which recently visited Vietnam for a study of its uranium resources, has submitted its report to the Indian Government. This was disclosed in the final minutes of the joint commission meeting. India also informed the Vietnamese delegation that the pilot plant

for monazite processing, which is a gift from the Atomic Energy department is in final stage of completion.—PTI, UNI

### More on Trade Pact

46001550B *Bombay THE TIMES OF INDIA*  
in English 21 Apr 90 p 14

[Text] New Delhi, April 20: India and Vietnam have agreed in principle, to sign a trade protocol envisaging a turnover of \$100 million in the first year of operation.

The understanding was reached at the fourth meeting of the Indo-Vietnam Joint Commission which ended in Hanoi on Sunday.

The Indian delegation was led by the minister for external affairs, Mr I. K. Gujral, who returned here on Monday. The Vietnamese team was headed by Mr Nguyen Co Thach, vice-chairman of the Council of Ministers and Minister for Foreign Affairs.

According to an official spokesman, a draft trade protocol was handed over to the Vietnamese authorities.

Both sides expressed their keenness in promoting joint-ventures in Vietnam. Delegations comprising representatives of the Federation of Indian Chambers of Commerce and Industry and the Confederation of Engineering Industry will visit Vietnam shortly in this connection.

Areas with potential for joint-ventures include hotels, food-processing, pharmaceuticals, sugar, tires, viscose fibre and electronics.

It was pointed out at the meeting that while imports from Vietnam had risen substantially, India's exports to that country had fallen. The Indian team referred to the possibility of exporting a wide range of engineering goods, dyestuffs and chemicals, mining equipment, pharmaceuticals and such other items. On the other hand, India was interested in importing minerals, agricultural products, raw silk, steel scrap, pig iron, rubber, tin, timber and cashew-nuts.

The Vietnamese delegation said that though the credit of Rs 100 million offered by India last year was meant exclusively for the railway sector, it would like to use Rs 18 million for telecommunications and Rs 2 million for machinery for a sponge iron plant. India agreed to the suggestion on certain conditions.

### IRAN

#### Rafsanjani Elaborates on Energy, Water Consumption

90AS0052G *Tehran RESALAT*  
in Persian 22 Apr 90 p 11

[Text] Tehran—The Islamic Republic News Agency: Yesterday morning, Hojjat ol-Eslam val-Moslemin president Hashemi-Rafsanjani visited the engineering consulting firm of Mahab-e Qods, the country's largest engineering consulting firm in the water industry.

The general manager of the firm welcomed the visitors including Mr. Zangeneh, minister of energy, and some of the ministry's deputies and gave a report on various activities of the firm sponsored by the Ministry of Energy. The president then visited different sections of the water supply project from Zarineh-Rud river which feeds the city of Tabriz.

Mr. Hashemi-Rafsanjani then attended the gathering of engineers, technicians, and staff of the firm and during a talk mentioned the importance of that firm as a key factor involved in the production of energy for the country.

The president expressed satisfaction for visiting such an important firm and said: Mahab-e Qods is definitely one of the fundamental factors in the development of the country and is involved in major activities.

The president referred to the fertility and vastness of our land and said: We have enough water resources in our country, but they are not used properly, and unfortunately throughout Iranian history limited water and energy resources have been wastefully utilized.

The president referred to the waste of water in the border-lands of Iran and said: By wasting water, we lose a source of blessings and benefits. Despite the fact that we have limited energy resources, we burn oil, which is our most precious treasure, to supply the energy the people need. Mr. Hashemi-Rafsanjani added: We can produce 9,000 megawatts of electricity from the Karun river and this would be more than the electricity we need in the country today. If we include Dez, Karkheh, and other rivers, we can secure the energy needs of the country for tens of years to come and prevent the loss of oil which is a precious resource for the country.

The president emphasized the point and said: Your work is very positive and plays an important role in preparing the way for the building and development of the country. To a great extent, the progress of important projects in the First and Second Plans depends on the results of your work.

The firm of Mahab-e Qods was formed in 1362 [21 March 1983-20 March 1984] from the merger of two Mahab engineering consulting firms with the participation of Astan-e Qods-e Razavi [the administration in charge of the endowments dedicated to the tomb of Imam Reza in Mashhad]. Today this firm is staffed with the best Iranian experts and is the largest center of technical documents in the areas of water industry, data processing, and production of mathematical models and computer software for the water industry. This firm is involved in the design of dams, hydropower installations, water supply and drainage, large water transport systems, water purification systems, architecture, and tens of other fields.

Until now, this firm has completed 124 projects in a variety of fields among which are 11 large earthen and concrete dams such as Marun, a 165-meter high earthen dam, and Ostovar, a 165-meter high concrete dam.

**Strong Earthquake Shakes Kerman**

90AS0059E *Tehran KEYHAN* in Persian 21 Apr 90 p 2

[Text] Kerman—IRNA—An earthquake measuring 4.7 on the Richter scale hit 800 km southeast of Tehran (around Kerman) last night, Friday.

According to IRNA, the Geophysics Institute of Tehran University recorded the time of the earthquake at 22:57:30 local time.

No report is yet available of the estimated damage.

**1987-1988 Industry Statistics Published**

90AS0052F *Tehran ETTELA'AT*  
in Persian 22 Apr 90 p 4

[Text] Economic News: Statistics on industrial factories for the year 1366 [21 March 1987-20 March 1988] were published by the Central Iranian [Bureau] of Statistics based on the comprehensive industrial census program of 1367 [21 March 1988-20 March 1989].

According to the management of the public relations [department] of the Central Iranian [Bureau] of Statistics, results of the comprehensive industrial census program of 1367 [21 March 1988-20 March 1989] indicate that 339,334 industrial factories were active during 1366 [21 March 1987-20 March 1988]. Thirty-five percent of these were in the weaving, clothing, and leather industries; 26.1 percent in machinery, equipment, tools, and metal-product industries; 18.2 percent in food, beverage, and tobacco industries; and the remaining 20.7 percent were active in other industrial sectors.

The production value of the industrial factories of the country during 1366 [21 March 1987-20 March 1988] was 4,124 billion rials of which 997 billion rials (24.2 percent) came from food, beverage, and tobacco industries; 901 billion rials (21.9 percent) from weaving, clothing, and leather industries; 803 billion rials (20.7 percent) from machinery, equipment, tools, and metal-product industries; and the remaining 33.2 percent from other industries.

The number of workers in the industrial factories of the country during 1366 [21 March 1987-20 March 1988] was 1,441,000 of which 91.8 percent (1,323,000) were men and 8.2 percent (118,000) were women.

During 1366 [21 March 1987-20 March 1988] about 216 billion rials were invested in the industrial factories of the country, which translates into 637,000 rials per factory in average.

The value of raw materials used in the industrial factories of the country during 1366 [21 March 1987-20 March 1988] was about 2,113 billion rials of which 19.4 percent was for foreign raw materials. A study of the value of foreign raw materials in relation to the total value of raw materials used in various industrial sectors indicates that at 41.8 percent, chemical, oil, coal, rubber, and plastic industries have consumed the largest amount

of foreign raw materials compared to total raw materials used by all industries. At 6.5 percent, the nonmetal mining industry, except for oil and coal, had the smallest ratio in this regard.

The same public relations [department] added: During 1366 [21 March 1987-20 March 1988], the yearly per capita wage of the workers in the industrial factories of the country was 872,000 rials (72,667 rials per month). At 1,230,000 rials (102,500 rials per month), workers in the major metal production industries earned the highest wage, and at 621,000 rials (51,750 rials per month), workers in miscellaneous industries earned the lowest wage.

Out of 339,334 industrial factories, 44,448 factory (13.1 percent) had at least one type of commercial insurance. A study of the insurance situation in various factories indicates that the paper, cardboard, printing, and publishing industries at 39.9 percent; the chemical, oil, coal, rubber, and plastic industries at 38.5 percent; and the major metal production industries at 21.7 percent, had the highest percentage of insured factories.

**Merits of Free Economic Zones Discussed**

90AS0037E *Tehran ABRAR* in Persian 16 Apr 90 p 3

[Excerpt] What you will read below is a report on the role of the free economic zones in economic development, which was published in the last issue of MAJALLEH-YE EQTESADI [economic journal]. This report, which was prepared using the views of expert officials and studying domestic and foreign publications and is at the same time the result of the operations and experiences of various countries in this area, at this juncture, can be beneficial to and worthy of note by those interested, particularly noting the economic programs of the government of Mr. Hashemi-Rafsanjani to create three free ports.

**Introduction**

With a long history in the world, the phenomenon of free trade is one of the strategies of economic development towards which most developing countries have moved in the past two decades because of its attractiveness.

Since one of the essential conditions of development is increased production in the society and improved competence, and since a dynamic economy requires access to markets and its trade system must also be geared towards investment in export industries, developing countries need to expand their exports in the interests of their development. These exports are of vital importance in obtaining foreign currency to import necessary goods and equipment in order to expedite development. According to some economic planners, the use of free trade in the international trade relations of these countries can be pivotal to achieving the goals of this country in such a way as to eliminate obstacles in the way of industry and trade and also to rapidly strengthen the transit of goods, to ensure the growth of national exports as well as supply domestic needs and eliminate shortcomings.

In our country as well, due to its dependent and vulnerable economic structure—an economy whose domestic needs are met by relying on foreign currency revenues obtained from the export of oil, and in which non-oil exports, whether in terms of quality or quantity, play an insignificant role in providing the foreign currency revenues of the country—the use of the free-zone trade model can play a key role in reducing dependence because of the importance it places on non-oil exports and the development of economic and social factors which result in creating jobs and helping to implement developmental plans.

Hence, the present report attempts to examine the potential of the country in the light of the role of free trade zones in the development of countries, with an evaluation of its positive and negative points.

#### Definition of Free Port

A region of free trade is no different from the old concept of the free port. Of course, this term means different things to different countries. The term free trade zone is used to mean different things, including investment development zone, export development zone, foreign trade zone, transit zone, and free parameter or special economic zone.

On the whole, the characteristics of a free trade zone are: a separate, protected, uninhabited area within the domain of a country. This area is equipped with the necessary facilities for loading and unloading, fueling and docking of ships, storage of goods, and sending them by various means, particularly land and sea. In this area, goods enter without the payment of customs duties or the interference of customs officials, and then by making use of an inexpensive labor force, appropriate industrial resources, and tax exemptions, they are exported without the payment of duties after they have been transformed, or they are offered for sale to the international purchasers without changes by payment of very low warehouse fees in the area.

Such areas, because there are no customs regulations or no thorough regulations, are usually of interest to multinational corporations and are able to attract direct foreign investments.

#### Large Parcels of Land Transferred to People

90AS0037B Tehran ABRAR  
in Persian 15 Apr 90 pp 1, 3

[Interview with Hojjat ol-Eslam Fazel Harandi, the representative of the leader in the central headquarters of the seven-member committees for land transfer, by the press on 14 April 1990; place not specified]

[Text] News Service: During the five-year plan, the seven-member committees will transfer 250,000 hectares of arable land to the people.

In an interview with reporters yesterday, Hojjat ol-Eslam Fazel Harandi, the representative of the leader in the

central headquarters of the seven-member committees for land transfer, made the above announcement and said:

With the change in government policy regarding land transfer and the revitalization of land, from now on, large parcels of land will be transferred to those interested in investing in agriculture.

He added: The implementation of this policy requires the removal of administrative obstacles, and this organization must be able to implement the government policy in a desirable manner.

He pointed out: At the present time, for land transfers, the necessary permits from the forestry office, the documents and land registration office, the environmental protection office, and the Ministry of Energy must be obtained, which will require months.

In regard to the transfer of land in the southern and southeastern areas of the country to those who meet the requirements, Hojjat ol-Eslam Fazel Harandi said:

During the visit of the president to those regions, in order to eliminate deprivation from those areas, it was decided that land would be transferred to farmers and also to the tribes of Kohnuj and Jiroft.

According to the president of the agricultural committee of the Majles, one of the obstacles to the transfer of land in Khuzestan, involving a total of two million hectares, is saturation of the land, which necessitates drainage.

Pointing out that the government must invest in drainage, he said: Considering the inability of the private sector to engage in drainage of lands, it has been proposed to the Ministry of Agriculture that the expenditures for this purpose be provided by the government.

This official said: The government can, by selling 250,000 hectares of land transferred by Committees 31 and 32 to their owners, take decisive steps in fundamental investments, and such investments can be returned in 10-20-year installments.

In another part of his speech, in regard to the problem of farmers under the supervision of the land transfer committees, Hojjat ol-Eslam Fazel Harandi said:

In order to foster agriculture, permits have been issued for the digging of 600 wells. Unfortunately, however, we face problems in regard to procuring motor pumps and pipes. In addition, it was decided that another 1,400 wells would be dug, which naturally requires more resources.

In regard to the decisive transfer of land for temporary cultivation, he said: In implementing the law for the transfer of temporary cultivation lands in the past three years, the deeds for 200,000 hectares of lands, which amount to a total of 800,000 hectares, have been issued. The final deeds for the other 600,000 hectares will also be issued to the farmers within the next year.

He pointed out: In cases when the courts have ruled in favor of the landlords, certain problems have been created for this organization, which is against the law.

In this connection, Hojjat ol-Eslam Fazel Harandi asked the head of the judicial branch to appoint a representative in this organization to help the institution and take the necessary steps to resolve the problems.

The head of the agriculture committee of the Majles opined in conclusion: With the transfer of 800,000 hectares of temporary arable land, which is some of the highest-quality arable land in the country, production on these lands will increase by 200 percent.

#### Cement Factory To Be Built in Bushehr

90AS0052J Tehran ETTELA'AT  
in Persian 22 Apr 90 p 4

[Text] Bushehr—ETTELA'AT Reporter: The Ministry of Industries approved the establishment of a cement production unit in the province of Bushehr.

During a visit to the industrial units of the province of Bushehr, Ne'matzadeh, the minister of industries, announced the above and said: In view of the shortage of cement in the province of Bushehr, we hope that the preparations for this project will start soon.

Regarding the allocation of foreign exchange to the deprived provinces of the country, he said: For the first time, and beginning next month, the allocation of foreign exchange and issuance of foreign exchange checks will be transferred to the provinces, including Bushehr.

Regarding the establishment of industrial townships in various provinces of the country, Mr. Ne'matzadeh said: We are planning to establish industrial townships in Fars, Bushehr, and Chahar-Mahal va Bakhtiari.

He said: In this regard, nine areas in the province of Bushehr have been initially studied and at least in three areas, industrial townships would be established. Hopefully plans for the establishment of these townships will be approved and implemented before the end of the current year.

It should be mentioned that Mr. Ne'matzadeh, the minister of industries, and some of the ministry's deputies arrived in Bushehr yesterday morning. The minister of industries, who is in Bushehr to visit industrial units, went to the martyrs cemetery in Bushehr, Behesht-e Sadeq, and paid homage to the martyrs of the Islamic revolution. Mr. Ne'matzadeh and his companions also visited the meat and fishery product factories, E'temadiyeh weaving factory, and the nuclear power plant in Bushehr.

#### 10 Khordad Dam To Provide Drinking Water for Qom

90AS0052I Tehran ETTELA'AT  
in Persian 22 Apr 90 p 4

[Text] Qom—Another one billion rials was paid by Hojjat ol Eslam val-Moslemin Haj Sheikh Hasan Sane'i, the representative of the vali-ye faqih [supreme juriconsult] and supervisor of the 15 Khordad Foundation, for the establishment of the 15 Khordad dam to provide drinking water for the people of Qom and the people in the adjacent areas of the Kavir [salt desert].

The central news unit reports that the payment, which followed the signing of the contract for the construction of the main body of the dam, is predicted to speed up the construction operations.

It should be mentioned that the auxiliary buildings and facilities have already been built on 11,000 square meters of land and the diversion water channels, the concrete covers for the channels, 14-meter high enclosures, and the access roads into the workshops have been completed.

#### 13 Dams To Be Built in Mazandaran

90AS0052H Tehran ETTELA'AT  
in Persian 22 Apr 90 p 4

[Text] Sari—During the Five-Year Plan, thirteen dams will be built in various locations of the province of Mazandaran to maximize utilization of surface waters in agriculture.

Mr. Mofidi, the governor of Mazandaran, during an interview with the Islamic Republic News Agency added: The Water Authority in Mazandaran would be able to store and utilize two billion cubic meters of water by building these dams, the most important among which are the storage dams of Tajan, Chat, Maraveh-Tappeh (jointly with the Soviet Union), and the diversion dams of Haraz, Sardab-Rud, and Habishan. This would solve the water-shortage problem in some regions of the province.

Referring to the programs and projects for the expansion of fishery operations along the shores of the Caspian sea, the governor of Mazandaran said: Four fishery piers with the capacity of 40 to 60 thousand tons of sprats [a small herring-like fish] per year would be built in various locations along the shores of the Caspian sea to satisfy a major portion of the demand for protein and meat products in the country. Regarding the understanding developed between the authorities of Iran and the Soviet Union about the exchanges on the border and the manner of visits by the citizens of the two countries, Mr. Mofidi said: Based on such an understanding, the people in the border areas may travel 45 kilometers into the other country, and the border bridge checkpoint in Dashly-Bron, a suburb of Gonbad, is one of the 11 crossing points selected for the citizens of the two countries.

### Industrial Expansion, Production Policies Announced

90AS0059H Tehran KEYHAN in Persian  
24 Apr 90 p 18

[Interview with the minister of mines and metals by KEYHAN; date and place not specified]

[Text] Economic Service:

The second part of KEYHAN's detailed interview with the minister of mines and metals is devoted to the examination of the issue of production for the purpose of exports in the national economy, the procedure of Iran's entry in the world export markets, the large industries such as steel increasing operations and becoming more economical, the procedure for the implementation and production of Mobarakeh steel, equipping the mines with advanced machinery and producing high-quality products.

Below is the continuation of the interview.

#### Problems of Industrial Exports

[KEYHAN] What are the problems of industrial exports, particularly in the mineral industries, and how will they be resolved?

[Minister of Mines and Metals] Part of the problem stems from the administrative problems of the country. Some are related to this ministry and some to other ministries and organizations. Hence, today, everyone is making an effort to solve the problems.

For example, a foreign currency contract was one problem that we eliminated some time ago to encourage the exporters of minerals. At the present, the Central Bank is seriously working on the issue of foreign currency contracts in terms of the form they should take and has put it on its agenda.

Some of the problems relate to obstacles such as transportation, ports and communications, which are being examined by the officials. Considering that an important part of the national foreign currency revenues in the five-year plan is non-oil exports, if we are unable to join the world export market in the first and second plan, we will not have a very good economic situation in the country at that juncture. Hence, we must go through the production phase and rapidly enter the world market. And to do so requires an overall effort to solve the problems and obstacles of non-oil exports.

In the course of the next 10 years, we will carry out huge production plans in the aluminum and copper industries, such as the 220,000-ton Bandar 'Abbas project and the production increase project of Sarcheshmeh copper, which when operational will make Iran become an important exporter of copper and aluminum in the world.

#### Providing for the Needs of the Mining Sector

[KEYHAN] What have you decided about solving the technical problems of the minerals which cause a decline in the quality of the product and not being able to present appropriate goods to the world market?

[Minister of Mines and Metals] One argument is that we lack sufficient equipment and machinery to properly work the mines. Officials are now examining this situation.

Another argument concerns the technical knowledge for working mines. In this area, we need technical knowledge, and we must provide the necessary training and make use of experts. On the whole, the project and planning section of the ministry is working on these cases.

Another argument concerns the kind of minerals, each of which has its own particular problems. For example, iron ore in the Bafq mine was initially on the surface, but today a problem has arisen, which is the problem of sedimentation.

Of course, when we have a two-million-ton production operation in the Esfahan steel mill, 2.5 million tons at Mobarakeh steel, and 1.5 million tons of production at Ahvaz steel, we must not rely on one particular mine.

Normally, the problem you mentioned occurs in the mines, but the world has found the solution in operating several mines and combining their minerals.

We hope that by working the Golgohar iron ore mines and investing in the Chadormalu and other iron ore mines gradually the problem of the decline in the quality of minerals will be resolved during the first and second economic development plans.

#### The Issue of Production for the Purpose of Export

[KEYHAN] A group of economic experts rejects the issue of production for the purpose of export by referring to the failure of some of the countries in this area. What is your opinion about it?

[Minister of Mines and Metals] Can you name one or two countries that have failed in terms of production for export? I believe 100 percent in production for export (production for domestic and export use), and I am prepared to have a scientific and technical discussion with the opponents and the defenders of production in place of imports. I want to say that if we do produce for export, we will solve the problem of domestic consumption. Note that when you work in a production unit with a capacity of 100,000 television sets or two million tons of export steel, not all of this capacity can be exported. Part of the production cannot be exported, since the export market is highly competitive. Therefore, of the production of 100,000 television sets, 80,000 can be exported and the 20,000 which remain will be used for domestic consumption.

If we do not pursue export markets, our production quality will never improve. Our past experience in regard to many industries shows the failure of the theory of production to take the place of imports.

At one time we assembled the Peykan, at which time it was a good car to provide for domestic use. At the time when we took Schaub-Lawrence television, it was the television of the day in the world. But today, after 20 years, it has become obsolete. We produced these products at the time for domestic use. Today, our television parts are much more expensive than the televisions available in the world today. Why did we fail? Because we paid attention merely to replacing imports and said, Why should we import when we can manufacture it ourselves?

The Peykan that we produced first used 14-15 liters of gasoline per km.

Today, cars have come onto the market that are more powerful and use less gasoline. But the Peykan is still the same car of 20 years ago, which is neither desirable in the world market nor economical for domestic use.

In response, I do not know in which cases the replacement of imports has been positive or production for the purpose of export has been negative. Let them give examples.

The issue of production for the purpose of export today has been proven as an advanced scientific theory, and to quote industrialists, there is no room for hammering it. Hence, I defend it.

The important issue in this sector is the existence of abundant energy and its inexpensive production in Iran. The developed industrial countries of the world transfer their factories to the countries that have inexpensive energy for the same reasons, because between 30-50 percent of the cost in the industrial sector is for energy.

In addition to inexpensive energy, our country has a great deal of manpower and a vast expanse of land. These are proper factors for production for the purpose of export.

Hence, I believe that all the economic officials, industrialists, producers, and those who want to create a good and thriving economy which will be viewed in the world as a model, as is the Islamic revolution, must pay attention to the important point of what occurred in the Soviet Union. The party system has faced a situation of decreasing power, and today the Soviet Union is bringing itself to the realities of production. The important point is that all the southern republics of the Soviet Union are inhabited by Muslims and are a potentially great export market for Iran. The Muslim people of the southern part of the Soviet Union have their eyes on the Iranian market today. If we work hard with all these resources and the capable people of our country in order to provide the products they need, this great market of Soviet Muslims will belong to us. If we do not do so,

Western Europe, which is gradually approaching Eastern Europe, will eventually reach the Soviet Union as well and will take this market from us. This is a very important point to which all the economic sectors of the country must pay attention.

By producing for export, we can enter world markets and gain revenues. Look at Turkey, which in a 10-year plan has had exports of more than \$13 billion a year. In production for export, we are looking at a 20-year future, and we will certainly succeed.

#### Why Criticize Mobarakeh Steel?

[KEYHAN] You referred to Mobarakeh Steel. In interviews with KEYHAN, some experts have criticized the kind of steel produced by Mobarakeh Steel and claimed that instead of so much investment, which will create jobs for only 10,000 people, one could build several steel mills in each of which 50,000 will be employed. What is your opinion in this regard?

[Minister of Mines and Metals] During 1360 [21 March 1981-20 March 1982] and 1361 [21 March 1982-20 March 1983], I participated as the deputy minister of the ministry in many of the complex political discussions held within the framework of technical arguments raised by the opponents of the transfer of the project from Bandar 'Abbas to Mobarakeh. From that time, I realized that such arguments are deviant.

The truth is that today various countries invest on the basis of their relative situation and advantages. The Esfahan steel mill plan was prepared when Soviet experts came and said that we had coal and iron ore and came up with the plan for the mill. At that time, the technology of direct revitalization was not as widespread in the world as it is today. But, despite this, we see that the previous regime prepared plans for the Ahvaz steel complex with several technologies of direct revitalization and as a collection of various steel production methods, because it had just realized the relative advantage of natural gas used in steel production.

Hence, in the discussions at the time, I said that the Mobarakeh plan was an economic plan and ended the confusion. We looked at the agreement and realized that it would require a great deal of investment. But we said that it must achieve results, and that the project was important.

Now, an expert comes up with a figure of 50,000 jobs in the steel mill. Firstly, I have no idea from where this figure is derived. Secondly, if you mean the total number of employees of the steel mill, I must say that this unit, because it has more personnel than necessary, is not economically feasible. Most of them, about 15,000 people, were hired during the period when the factory was being built, and at the start of operations they were to leave to start a new production unit. But for political reasons and because of issues that existed in the early part of the revolution, they were imposed on the steel

mill complex, and we are now making use of them, because they are the people of this country.

The reports that were published apparently ignored the important factor that our country has natural gas. From the time when the decision was made to carry out the plan for the Mobarakeh steel complex until today, dozens of factories have been built around the world designed to use the technology of direct revitalization. We must not consider an economic task or a project merely in terms of creating jobs. If such were the case, today half the population of Japan should be unemployed, because all their systems are advanced, and even in the industrial units robots are used instead of humans. However, in that country people work night and day and even go to other countries to expand their investments and economic activities.

Such concern about employment in Japan has been eliminated appropriate with a determined plan. They have raised training to such a level that the manpower sits and thinks. Today, to ensure the progress of plans and projects, they even make use of the time differences between countries.

As an example, when some of the Japanese companies estimate the time for the preparation of a project, it is one-third the time given by European manufacturing companies. When I asked the reason, I came to realize that they have three offices, one in Tokyo, one in London, and one in New York. One group starts the study in the Tokyo office. At 2 PM, using advanced communications technology, when London is starting work at 8 AM, the results are sent to London, and the new group continues the study. Before 2 PM, it is 8 AM New York time. The work is continued as it is communicated to the New York office, and at 2 PM the next day, which is 8 AM Tokyo time, the first group takes up the study again. Hence, the Tokyo group has made three times the progress. This is the kind of change and progress which is used in the world. Then we sit and talk about the creation of jobs. If such is the case, we might as well return to the old-fashioned pulley for wells. If we want to achieve growth and expansion in production, raising such unscientific and nontechnical issues, in my opinion, is improper.

In these reports also the discussion of the transfer of technology has been criticized. I will make a few points in this connection.

Firstly, the experts who go and sign such contracts are competent, specialized people. The KEYHAN reports state somewhere that the individuals that we send to sign contracts must be experienced in this kind of work, whereas often they don't even know how to ride in an airplane.

That expert makes this statement in conjunction with a discussion of Mobarakeh Steel, and in the minds of the people the association is made that the experts who

signed the contract for Mobarakeh Steel were incompetent. Subsequently, rather than transferring technology, they have bought a factory, and we have been cheated in this deal.

I must explain that firstly the Mobarakeh Steel contract was signed during the previous regime, and we only activated it. Secondly, concerning the section on the direct reevaluation of the contract, which was a point of criticism in one report, I was one of the main people signing this contract. Hence, I strongly defend it and say, despite the passage of 10 years, that it is still the best technology in the area of direct revitalization. We did not just have lunch or dinner and do what you wrote and sign the contract. A German-Austrian company wanted to sell a system to us. When we went there, we held lengthy, specialized discussions and visited their facilities. When we returned, we went to Japan and examined and compared their system as well. A technical team prepared thousands of pages of technical and scientific reports and finally, despite the fact that the Austrian prime minister of the time was mediating that we should buy the direct revitalization system of the German-Austrian company, we signed the contract with Japan. How, then, could that expert tell KEYHAN that we were cheated?

Does this argument concern the transfer of technology or a complex of factories? In my opinion, this is false reasoning. What do you want to discuss? What do you mean by the transfer of technology? In fact, I read this report twice to figure out what the point of it was. The only thing that I understood was that its goal was to create a negative state of mind, suggesting that we've gone and done something, such as the Mobarakeh steel project, and we have been cheated.

I want to say that if you are talking about the transfer of technology, what kind of transfer do you mean? When you talk about direct revitalization, what does it mean? Do you want to say that technology is transferred when you can make good use of it? If this is what you mean, I must say that we prepared a large group of experts who are being trained in various countries, including Italy, to learn now they should work.

If by transfer of technology you mean that our personnel must be there when the parts are being manufactured, I must say that in Italy, Japan, and other areas where we have contracts, our technical groups are present to carefully inspect all the parts.

If you mean that we should be able to build direct revitalization units later ourselves, incidentally, in this connection, the international Iranian engineering company (IRTIK), which has 600-700 engineers, has gotten the transfer of the technological knowledge of "midrex" and has it at its disposal at the present.

If you mean that from now on we must be able to manufacture "midrex" domestically, what part of "midrex" should we make? When we say "midrex", we can start from the control room to the ladder that you

want to use to go to the fourth or fifth floor. In other words, should we build all the precise control systems? Should all of this from beginning to end be built domestically?

I must say that this is neither economical nor scientific. So far, nowhere in the world has this been done.

The experts think about the transfer of technology and say that we only have huge collections of machinery and not the technology. I would like you to answer me: What should be transferred for which we need to know the technology?

And then it is said that in order to operate the complex we must bring many supervisors from abroad. I must say to these experts that we are preparing about 7,000-8,000 expert domestic forces for the period of operation.

Of course, we have to bring in supervising engineers as well. But for where? For places that may be sensitive areas. Otherwise, we must spend a great deal of money, which is not economical. If the gentlemen had examined carefully to see what methods we used to purchase the Mobarakeh steel complex and what methods were imposed, I am sure that they would have avoided such harsh expressions of opinion which result from not having access to scientific and technical sources. Please, in this connection, ask your detailed questions so that the related officials provide the appropriate responses to clarify public opinion and prevent false impressions, so that criticism and expressions of opinion are not given without the benefit of specialized, researched studies.

#### Overtime for Some Professionals, Judges Increased

90AS0059I Tehran JOMHURI-YE ESLAMI  
in Persian 26 Apr 90 p 3

[Text] News division—The Cabinet held a meeting yesterday afternoon and, after examination, approved the bill to change the salary chart coefficient stated in Article 32 of the national employment law to determine the salaries and overtime pay for specialized employees of the government organizations and judges proposed by the organization for administrative and employment affairs of the country.

According to our correspondent, Article One of this bill projects that from 1 Mehr [23 September] this year, the coefficient for the salaries in Article 32 of the national employment law will increase from 100-120 rials.

Also in this bill, special privileges are taken into consideration for the increase in the salaries of specialized government forces and those holding a bachelor's or higher degree.

It should be pointed out that this bill will be presented to the Majles for legislative procedures and final ratification.

According to this report, the Cabinet approved the plan of the executive committee of the council to support literacy in regard to providing implemental grants for the literacy mobilization plan. According to this plan, the principals of schools who establish four literacy classes from 1 Farvardin 1370 [21 March 1992] during the implementation of the literacy mobilization plan will be promoted one rank as an incentive. Also, the deadline for the promotion of those principals who establish two literacy classes during the implementation of this plan will be reduced by one year.

In the continuation of this session, the vice president for executive affairs presented to the Cabinet a report on the problems and difficulties involved in the reconstruction of the region damaged by the war, the steps taken in 1358 [21 March 1979-20 March 1980] in the war-stricken and damaged cities, methods to expedite and ways to provide needed resources and reforming the reconstruction organization.

According to this report, the Cabinet made some decisions while appointing the Ministries of Interior, Construction Jihad, Commerce, and Housing, and the foundation for imposed-war refugees, the housing foundation of the Islamic revolution, and the Plan and Budget Organization as permanent members of the headquarters and the executive vice president and the head of the headquarters in regard to procedures to provide for needs and more rapid reconstruction.

#### Statistics on Kashan Agriculture Bank Given

90AS0052C Tehran RESALAT  
in Persian 22 Apr 90 p 10

[Text] Kashan—Resalat reporter:

The agricultural bank of Kashan announced the statistics on its activities which were carried out in the form of Islamic contracts until the end of Esfand 68 [20 February-20 March 1990]. These activities were:

- Interest-free loans numbering 15 for a total of 368,000 rials paid to rural cooperatives.
- Interest-free loans numbering 580 for a total of 232,647,000 rials paid to individuals and joint-ownership cooperatives.
- Installment sale of machinery, raw materials, and production facilities numbering 1,040 for a total value of 483,423,5000 rials.
- Deals in futures numbering 93 for a total value of 148,018,359 rials.
- Fees [Jo'aleh] numbering 93 for a total value of 66,675,000 rials.
- Interest-free loans for construction of channels and covering of streams, numbering 198 for a total value of 164,100,000 rials.
- In total, 2,156 items for a total value of 1,462,863,859 rials.

**Coupons for Basic Products Listed**

90AS0052E Tehran ETTELA'AT  
in Persian 22 Apr 90 p 10

[Text]

**Coupon Table For Major Commodities**

**(Urban)**

Type of Commodity	Valid Coupon Number	Valid Until
Vegetable Oil (assigned quota of 450 grams per person)	142	26 Ordibehesht 69 [16 May 90]
	140	28 Tir 69 [19 July 90]
	147	19 Mordad 69 [10 August 90]
	143	26 Shahrivar 69 [17 September 90]
Hard Sugar & Sugar (assigned quota of 1200 grams per person)	138	7 Ordibehesht 69 [27 April 90]
	141	14 Khordad 69 [4 June 90]
	148	19 Mordad 69 [10 August 90]
	146	26 Shahrivar 69 [17 September 90]
Soap (assigned quota of 90 grams per person)	139	15 Mordad 69 [6 August 90]
Detergent Powder (assigned quota of 480 grams per person)	133	10 Mordad 69 [1 August 90]
Meat (assigned quota of 700 grams per person)	325	15 Tir 69 [6 July 90]
Meat (assigned quota of one kilogram per person)	327	15 Mordad 69 [6 August 90]
Chicken (assigned quota of 700 grams per person) (one to five people)	442	26 Tir 69 [17 July 90]
Eggs (assigned quota of 700 grams per person)	441	15 Tir 69 [6 July 90]
	446	15 Mordad 69 [6 August 90]
Cheese (assigned quota of 250 grams per person)	438	15 Khordad 69 [5 June 90]
	443	28 Tir 69 [19 July 90]
Butter (assigned quota of 150 grams per person)	439	19 Khordad 69 [9 June 90]
Rice—only in Tehran province (assigned quota of three kilograms per person)	436 (Sepah Stores)	20 Ordibehesht 69 [10 May 90]
	193	19 Mordad 69 [10 August 90]

**New Coal Mine Discovered in Ramyan**

90AS0052D Tehran RESALAT  
in Persian 22 Apr 90 p 10

[Text] Ramyan—Resalat Reporter:

Two million tons of coal deposits were discovered following explorations in the mountainous area of Ramyan. It should be added that in the recent past, the explorations, which had started eight years ago by experts and engineers in Eastern Alborz, resulted in the discovery of 16 million tons of coal deposits in the mountainous area of Joz-Chal Owlang-Melch Aram. The same exploration in the area of Kashlak-Viro, named Nark-e Bozorg Qeshlaq Owlang, has discovered coal of the type of Lak-sho, Lak-sho-e Charb, and Gazi-ye Charb. The

deposits were estimated at two million tons during exploration and discovery operations.

**Over Thousand Addicts Rehabilitated in Esfahan**

90AS0059J Tehran JOMHURI-YE ESLAMI  
in Persian 26 Apr 90 p 3

[Text] Esfahan—JOMHURI-YE ESLAMI reporter—During the past year, more than 1,100 addicts have been cured of their addiction in the Esfahan center for the rehabilitation of addicts. The head of the public relations office of the welfare agency of Esfahan Province announced this news to our correspondent and said: During 1368 [21 March 1989-20 March 1990], the Mahyar center for the rehabilitation of addicts, affiliated with the welfare agency, succeeded in rehabilitating and releasing 1,155 addicts who had been trapped by addiction.

He added: This center, which is 40 km from Esfahan on the road to Shahreza, can admit 600 addicts per day. Also, in 1368 [21 March 1989-20 March 1990], this center admitted 1,670 addicts, and with the efforts of the authorities and social workers, in addition to participating in regular educational, athletic, and guidance programs, they are employed in carpentry, plaster work, soldering, and other workshops of this complex.

### Salaries of University, Other Scholars Increased

90AS0052A Tehran ETTELA'AT  
in Persian 22 Apr 90 p 3

[Text] Based on a recent approval by the Majles, beginning with the new year, the scientific community at universities and other institutions of higher education will earn one promotional step for each year of acceptable service up to the time of retirement, and promotion to a higher level of employment will not move them to the first step at the new level.

Engineer Gharibani, chairman of the Majles committee on administrative and employment affairs, announced the above in an interview with the Islamic Republic News Agency and added: Henceforth, according to this legislation, the retirement pension of the members of the scientific community will be equal to their last salary while employed and at the same level and step.

He said: This legislation requires the government to calculate and pay the allowance for the members of the scientific community based on their level of employment, value of their job, complexity of their specialization, and the method of their job performance.

Gharibani added: Beginning with the year 69 [21 March 1990-20 March 1991], the salaries of the official members of the scientific community will be calculated and paid based on a new formula rather than the previous complex and deficient salary table.

The chairman of the Majles committee on administrative and employment affairs said that the new formula works as follows: The salary-multiplier times the base-number, plus five times the step number. He said: The salary-multiplier in this formula, which was 400 in the past, has changed to 1,200 and the base-number is determined according to the level of employment and is respectively 90, 100, 125, 145, and 170 for teaching assistant, instructor, assistant professor, associate professor, and professor.

Gharibani emphasized that this legislation has fundamentally changed the table and the steps for the salaries of the official members of the scientific community. He said: This legislation has simplified the calculation of salary and benefits for members of the scientific community, has rid the process from the complexity which causes waste of time, and has eliminated current difficulties.

Explaining the deficiencies of the previous law, he said: According to the previous law, promotion to a higher level of employment would cancel the earned steps at the previous level and will start the employee at the first step of the new level.

The chairman of the committee on administrative and employment affairs added: According to the previous law, salary and benefits remain constant and unchanged until retirement after earning 10 steps by instructors and assistant professors and five steps by associate professors and professors at their respective levels based on one step per year calculation.

He add: Such a method of calculation of salary and benefits, led to the flight of members of the scientific community at universities and institutions of higher education to other institutions in the executive branch. The implementation of the new law would eliminate the inadequacies.

Gharibani said: Based on the contacts made with the committee after the approval of the new law, about fifty of the members of the scientific community who had left universities and institutions of higher education, have announced their readiness to return and I hope that implementation of the new law would lead to the attraction of expert and committed individuals to scientific and research centers so that we may have a turning point in the growth and expansion of scientific centers. Gharibani said: Attention has been also paid to other staff at universities and scientific and research institutions, and the Ministries of Education and Training as well as Health, Treatment, and Medical Education have been given permission to use the regular salary as a basis for additional payment for the work performed by the employees outside their regular hours of work.

At the end he added that the Majles and especially the committee on administrative and employment affairs are prepared to seriously consider all the bills which deal with fundamental reform of the administrative and salary payment systems.

### Khomeyni's Works To Be Translated into 20 Languages

90AS0052B Tehran ETTELA'AT  
in Persian 22 Apr 90 p 2

[Text] Sari—The intellectual ideas of his holiness Imam Khomeyni, the blessings of God's paradise be upon him, in the areas of jurisprudence, philosophy, and politics will be compiled in an analytical format and published for teaching purposes at [theological] seminaries and universities.

Hojjat ol-Eslam Ansari, the administrator of the institute for the compilation and publication of the writings of his holiness Imam Khomeyni, may God bless his soul, announced the above in an interview with the central news unit reporter in Sari and added: The mission of this institute is to analyze the intellectual ideas of his holiness

the Imam, the blessings of God's paradise be upon him, and research groups at the institute are engaged in this activity, and the results of their work will be published in the form of books and pamphlets so that not only may they be taught at a university which will be established next to the blessed tomb of his holiness the Imam, but also at other seminaries and universities in the country so as to enable the young and inquisitive generation in our country to become familiar with the pure Islam of Mohammad (God's greetings be upon Him) from the point of view of the Imam and equip them with an analytical and research-oriented view in support and protection of the values and gains of the Islamic revolution.

In reference to the method of compilation and publication of the writings of his holiness the Imam, Hojjat ol-Eslam Ansari said: The process of producing fiche and microfilms and their reproduction and storage using modern technologies is going on and the writings of his holiness the Imam will be translated into 20 major languages of the world and will be made available to the people interested in the intellectual and educational writings of the deceased leader of the revolution and the founder of the Islamic Republic of Iran.

The administrator of the institute for the compilation and publication of the writings of his holiness the Imam

said that until now two volumes of the poetry and unpublished letters of his holiness the Imam have been published by the institute and added: On the first anniversary of the heartrending passing of his holiness the Imam, may God bless his noble soul, three volumes of the handwritten books, one volume of the poetry and unpublished letters, and the biography of the departed Imam will be published.

In reference to the programs under way for the expansion and completion of the blessed tomb of his holiness the Imam (blessed be his soul), Hojjat ol-Eslam Ansari said: work on the surroundings, gardens, and courtyards of the blessed tomb, and building of two minarets which are without parallel in size, height, and architecture, will all be completed before the anniversary of the departure of his holiness the Imam (blessed be his soul).

Regarding the future expansion of the complex around the blessed tomb, the supervisor of the blessed tomb of his holiness the Imam (blessed be his soul) said: The complex will become an intellectual, educational, research, and pilgrimage township. There will be a seminary, a university, a library, museums of revolution, war, and personal effects of his holiness the Imam, a large sports complex for the youth, and recreational centers for children, especially the children of martyrs.

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